IN-DEPTH ANALYSIS

Requested by the INTA committee

Aligning European export credit agencies with EU policy goals

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ABSTRACT

Export credits are a traditional instrument used in many Member States of the European Union to support the export activities of firms. They are typically provided by export credit agencies (ECAs), which in turn receive support from governments. There are currently 25 such ECAs in 21 EU Member States. Financial and indirect support to exporters provided through these ECAs is significant. Recent policy initiatives of the European Commission, such as the European Green Deal and Global Gateway, raise the question of how aligned these transactions and their underlying due diligence practices are vis-à-vis high-ranking policy goals such as the green transition. The objective of the present study is to explore and compare EU trade policy in the field of export credits with a view to their alignment with these policy goals. Drawing on information from ECA annual activity reports in conjunction with expert interviews, this study identifies ongoing commitments, practices and standards and discusses the extent to which ECAs are in line with EU policy commitments. The paper outlines a set of recommendations on how ECA coherence with EU goals could be strengthened in the future, proposing, among other things, that the EU push for more systemic forms of climate risk assessment and more ambitious public disclosure practices among ECAs.

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Abbreviations and acronyms

CAO	IFC/MIGA Independent Accountability Mechanism
CCSU	Renewable Energy, Climate Change Mitigation and Adaptation and Water Projects Sector Understanding
CEB	Czech export bank
COP26	2021 United Nations Climate Change Conference
CSDDD	Corporate Sustainability Due Diligence Directive
CSO	Civil society organisation
CSR	Corporate Social Responsibility
DERa	Development Effectiveness Rating
E3F	Export Finance for Future
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECA	Export credit agency
ECG	OECD Export Credit Group
EDC	Export Development Canada
EFIC	Export Finance and Insurance Corporation
EGAP	Czech Export Guarantee and Insurance Corporation
EKN	Swedish National Export Credits Guarantee Board
ESIA	Environmental and Social Impact Assessments
EU	European Union
G20	Group of 20
GHG	Greenhouse Gas
ICT	Information and communication technologies
IFC	International Finance Corporation
JBIC	Japan Bank for International Cooperation
KfW DEG	German Investment Corporation
KYC	Know-Your-Customer
NCP	National Contact Point
OECD	Organisation for Economic Co-operation and Development
OeKB	Austrian export credit agency (Oesterr. Kontrollbank)
OIE	World Organisation for Animal Health
SDR	Special drawing rights
SEK	Swedish Export Credit Corporation
TCFD	Task Force on Climate-Related Financial Disclosures
UNGP	United Nations Guiding Principles on Business and Human Rights
WCD	World Commission on Dams

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Executive summary

Export credits are a traditional instrument used in many countries of the European Union (EU) to support the export activities of domestic firms. Export credits are typically provided by export credit agencies (ECAs), which in turn receive support from governments. This support can take the form of 'official financing support', such as direct credits to foreign buyers, refinancing or interest-rate support, or of 'pure cover support', such as export credits insurance or guarantee cover for credits provided by private financial institutions. ECAs may be government institutions or private companies operating on behalf of governments. There are currently 25 such ECAs in 21 EU Member States. Financial (and indirect) support to exporters provided through ECAs can be significant. According to the Annual Review released in March 2022 by the European Commission (EC), the ECAs of EU Member States reported EUR 362 billion in aggregate nominal risk exposure from pure cover and an officially supported loan portfolio of 85 billion as of 31 December 2020. With these magnitudes in mind, it is evident as to why ECAs are considered a potential lever that could contribute to achieving high-ranking policy goals.

Against the backdrop of recent initiatives of the European Commission such as the European Green Deal and the Global Gateway Initiative, there is a case to align existing ECA business activities to the exigencies of these policies. Given the need for additional climate and green finance in the EU and beyond, the Commission is exploring options for an EU export credit strategy including, potentially, an EU Export Credit Facility. Against this background, the principal objective of the present analysis is to explore and compare EU trade policy in the field of export credits. The analysis identifies ongoing commitments, practices and standards and focuses on how to bring the ECAs in line with EU policy and climate commitments. The study analyses the compliance of export credit agencies with EU general objectives, specifically with regard to the treatment of environmental risks, social due diligence and anti-bribery.

Only a tentative final assessment can be provided on the degree of overall alignment of ECA commitments with EU policy goals. There are several reasons for this. First, EU general objectives tend to be situated at the macro level, and direct policy implications for ECAs cannot always be derived. For instance, the Global Gateway initiative, while specifying some sectoral priorities, foresees a broad multitude of investment and trade activities. Second, objectives are not free of tension. The goal of securing a level playing field requires international consensus on standards, implying protracted endeavours of economic diplomacy and compromises based on a common denominator. Becoming 'the first climate-neutral continent', on the other hand, as stipulated by the European Green Deal, requires bold regulatory and industrial policy steps proportionate to tackling the climate emergency. Tensions such as these are inherent in high-level objectives. Third, and most relevant to this study, publicly available information is rarely sufficiently available to assess policy compliance rigorously. In particular, analyses based on sparse publicly available data run a risk of reporting biases, as those actors with the strongest track record in compliance tend to be those with the most transparent reporting practices.

With these limitations in mind, the present analysis sheds light on the sectoral and risk structure of ECA portfolios of EU Member States and their commitment to standards and guidelines. The analysis suggests first that ECAs are active in promoting projects associated with significant risk potential (Category A), particularly so in the energy and industrial sectors, and there is currently no decreasing trend in that regard. Data from the E3F initiative further suggests that there is still a substantial volume of export promotion in the area of fossil-fuel-related power, even among those ECAs that are leading the green transition in export finance. Among the nine EU ECAs who adhere to the E3F reporting, the total volume of fossil fuel transactions exceeded that of transactions in the area of renewables and electric infrastructure. It is notable that, among this group, EUR 4.5 billion of new commitments in the period 2015-2020 went towards the upstream parts of fossil-fuel-related energy production, indicating that even leading ECAs have not yet fully discontinued their support to a long-term lock-in of fossil energy. Further, analyses provided by Shishlov et al. suggest that large EU ECAs lack alignment with the Paris Climate Goals (see section 4.1.3.1).

Second, our analysis also shows that, to the extent that ECA activities could be attributed in such a way, the categories of Communications, as well as Transport and Storage, play a comparatively minor role in the allocation of ECA transactions. This may be interpreted as a potential mismatch with the twin (digital and green) transitions envisaged by recent strategies such as Global Gateway, particularly with its strong emphasis on transport infrastructure. Further, Energy Generation and Supply, as well as Mineral Resources and Mining, contribute a relatively high number of potentially risky projects, whereas Communications and Transport and Storage contribute comparatively little risk, which may be interpreted as a misalignment of ECAs towards riskier sectors. That said, access to critical raw materials has become a declared objective of the EU. It is also worth noting, though all Member States report adherence to reporting standards to Common Approaches, some ECAs, such as Denmark and Sweden, report adherence to a wide variety of additional important international standards and goals in the areas of Corporate Governance, Environmental and Social Due Diligence and Anti-Bribery, others make less comprehensive reference to such standards in their activity reports.

Third, the analysis lays out a set of policy recommendations for improving compliance. To provide a deterrent for non-compliance and to foster convergence in ECA practices, the study recommends, along with more active peer monitoring and on-site checks after the final project commitment, considering clearer-cut sanction mechanisms which may restrict companies from reapplication for ECA services following misconduct *(Recommendation 1)*. To more systematically address climate-related and environmental risks, current practices would benefit from moving beyond a localized, case-by-case assessment approach. The Commission could develop a heuristic for technology-specific export-finance climate risks based on a transparent impact model and require mandatory Climate Risk Assessments including more demanding due diligence and mitigation strategies for projects associated with a larger ecological footprint *(Recommendation 2)*.

Generally, EU ECAs should consider developing their self-image from pure export promoters to promoters of public economic goods, implying a review and harmonisation of portfolios in line with the European Green Deal *(Recommendation 3)*. It is commendable that the debate is beginning to focus on the promotion of sector-selective contributions, e.g. activities contributing to climate mitigation and adaptation, as envisaged by the recently adopted modernization of the Arrangement on Officially Supported Export Credits. The Commission should further focus on guaranteeing the highest due diligence standards within the Union, among other things by assisting ECAs with alignment through support services, technical assistance, modelling and provision of due diligence resources and by developing ambitious common standards for green and responsible export finance, taking, for instance, the EBRD's Paris Agreement alignment methodology as an example. This may require additional expertise and resources at the Commission. If ECAs are expected to follow sectoral and regional priorities in accordance with overarching EU policy goals, risk diversification may need to be addressed more comprehensively, and additional mechanisms to balance risks (e.g. through reinsurance) may be required *(Recommendation 4)*. This could be a potential role for a novel EU export credit facility, considered as an option in the Commission's Green Deal Industrial Plan.

Finally, and in line with a recent Council Conclusion (15 March 2022), the EU should consider requiring more structured, standardised and comprehensive public sharing of information than is currently practised for the purposes of the Annual Review *(Recommendation 5)*. As a starting point, the E3F initiative may serve as an example with respect to standards of reporting on activities related to fossil fuels and renewables. Further, the Task Force on Climate-Related Financial Disclosures established by the G20's Financial Stability Board has developed recommendations for reporting in the space of governance, strategy, management and metrics regarding climate. EU ECAs should adhere to such standards and follow the best practices of carbon accounting and of corporate transparency *(Recommendation 6)*.

1 Introduction

Export credits are a traditional instrument used in many countries of the European Union (EU) to support the export activities of domestic firms. Export credits are typically provided by export credit agencies (ECAs), which in turn receive support from governments. This support can take the form of 'official financing support', such as direct credits to foreign buyers, refinancing or interest-rate support, or of 'pure cover support', such as export credits insurance or guarantee cover for credits provided by private financial institutions. ECAs may be government institutions or private companies operating on behalf of governments. There are currently 25 such ECAs in 21 EU Member States (see Annex 4). Financial (and indirect) support to exporters provided through ECAs can be significant. According to the Annual Review released in March 2022 by the European Commission (EC), the ECAs of EU Member States reported EUR 362 billion in aggregate nominal risk exposure from pure cover and an officially supported loan portfolio of 85 billion as of 31 December 2020.

The financial disciplines for medium- and long-term export credit support of a repayment term over 2 years are set within the Arrangement on Officially Supported Export Credits (the 'Arrangement') within the OECD, which, since 1963 ('Consensus Agreement'), has been the traditional forum of rulemaking in the area of officially supported export credits. More recently, the European Union has implemented legislation that aims to harmonize the regulatory framework for ECAs operating in EU Member States. Relevant legislation includes, in particular, Regulation (EU) No 1233/2011 of the European Parliament and of the Council of 16 November 2011 on the application of certain guidelines in the field of officially supported export credits. In 2011, upon the initiative of the European Parliament, the EU Regulation on ECAs transposing the OECD Arrangement into European law was amended by Annex I to introduce an additional reporting mechanism by European ECAs to the European Commission and then the European Parliament to assess compliance with the EU external action's goals and policies, including on climate.

Against the backdrop of recent initiatives of the European Commission such as the European Green Deal and the Global Gateway Initiative, there could be a case to explore alignment existing ECA business activities to the exigencies of these policies. Given the need for additional climate and green finance in the EU and beyond, there have been proposals for increasing funding, for example, via the option of establishing a European Export Credit Facility to complement national ECAs, currently explored in a feasibility study by the Commission. Against this background, and in line with the specifications received from the European Parliament, the principal objective of the present analysis is to explore and compare EU trade policy in the field of export credits. The analysis identifies ongoing commitments, practices and standards and focuses on how to bring the ECAs in line with EU policy and climate commitments. The study analyses the compliance of export credit agencies with EU general objectives, specifically with regard to the treatment of environmental risks, social due diligence and anti-bribery.

The study was conducted by a team of researchers combining economic and trade policy expertise, as well as expertise in export and development finance. The study drew on data from ECA annual activity reports, the Commissions Annual Review (henceforth 'Annual Review'), the OECD website on export credits, national government and ECAs, as well as academic and grey literature from research organisations, think tanks and public institutions. Further, 11 explorative background interviews with experts were conducted to validate qualitative assessments of national policies and to learn about the application of the respective due diligence mechanisms in day-to-day business practices. Background interviews included academic experts, policy officers in national governments, CSO representatives and experts in ECAs (see Annex 3).

The study is structured as follows: Section 2 provides an overview of EU and OECD disciplines on export credits; Section 3 describes EU Member States' export credit systems; Section 4 analyses the alignment of export credit agencies with EU objectives; and Section 5 concludes and presents a series of recommendations on how to promote greater alignment.

2 Overview of the OECD and EU regulatory frameworks on export credits

2.1 The OECD regulatory framework

The OECD (2008, 2) defines exports credits as

> *an insurance, guarantee or financing arrangement which enables a foreign buyer of exported goods and/or services to defer payment over a period of time. Export credits are generally divided into short-term (usually under two years), medium-term (usually two to five years) and long-term (usually over five years).*

Such credits may take the form

> *of 'supplier credits', extended by the exporter, or of 'buyer credits', where the exporter's bank or other financial institution lends to the buyer (or his bank). Official support, through ECAs, may be provided as 'pure cover', i.e. insurance or guarantees given to exporters or lending institutions without financing support; as financing support, i.e. direct credits/financing, refinancing, interest rate support; and/or as aid financing (credits and grants). Official financing support may be provided in conjunction with the basic guarantee or insurance facility, or it may be provided on a standalone basis. (ibid.)*

Every OECD Member State operates a domestic ECA – either as a public or semi-public financial institution with government mandate – which offers official support in financing export, usually below market rates. Official support for export credit often takes the form of pure cover via export credit guarantee or insurance. In many cases, such cover insures exports of capital goods in the form of infrastructure, plants and other large-scale structures. To a significant extent, ECAs are thus in the business of promoting construction projects.

In terms of the function and role of Export Credit Financing Systems, the OECD (2008, 1) notes that its Member States have put these in place to 'assume at least the political risk (risk of non-payment because of government imposed restrictions) of providing export credits to foreign buyers'. The OECD points out that

> *many [Member States] will also cover the transfer risk (risk of non-availability of foreign exchange to meet repayment obligations), although cover may be restricted in markets with poor payment experience. Most of the export credit agencies (ECAs) providing such cover also assume the commercial risks (risk of non-payment because of the bankruptcy or default of the buyer) and some reinsure such risks taken by private institutions.*

2.1.1 The arrangement on Officially Supported Export Credits

The Arrangement on Officially Supported Export Credits ('the Arrangement') is the regulatory framework for officially supported export credits and tied aid credits. The Arrangement, developed under the auspices of the OECD, came into being in April 1978 following agreement among its participants. It is a 'Gentlemen's Agreement'[1] which enjoys the administrative support of the OECD Secretariat but is legally separate from the OECD and is linked to the WTO Anti-Subsidies Agreement. The scope of the Arrangement covers any form of official support for the export of goods or services, or both, including financial leases. This means that its provisions only apply to official support provided by governments or by institutions acting on behalf of a government, whereas private forms of export promotion are excluded from the provisions.

[1] The Participants to the Arrangement on Officially Supported Export Credits are: Australia, Canada, Japan, Korea, New Zealand, Norway, Switzerland, Turkey, the UK and the United States, as well as the European Union.

Forms of official support, which are defined by the Arrangement (Article 5), include export credit guarantee or insurance, direct credit/financing and refinancing, interest rate support, or any combination of these. The Arrangement applies to officially supported export credits with a repayment term of a minimum of two years. In addition, the Arrangement contains a number of Sector Understandings. These stipulate special rules for particular sectors (e.g., longer repayment periods) and are detailed in the sectoral annexes of the Arrangement. There are currently five Sector Understandings, covering export credits in the area of (i) ships, (ii) nuclear power plants, (iii) civil aircraft, (iv) renewable energy, climate change mitigation and adaptation, and water projects (CCSU), and (v) rail infrastructure (OECD 2022a).

The main purpose of the Arrangement is to promote the orderly use of export credits and to limit market distortions created by officially supported export subsidies. This shall be achieved by fostering competition among exporters on a level playing field, meaning that competitors should compete on price and quality rather than on the best financial terms and conditions. These include disciplines on the applicable Maximum Repayment Term, the Minimum Interest Rates and the Minimum Premium Rates (MPR) to be charged for officially supported export credits (ibid.).

The Maximum Repayment Terms depend on both the destination country and the project sector. There are two categories of countries: High-Income OECD countries (Category I) and all others (Category II). For Category I countries, the maximum repayment period is 8.5 years, while for Category II countries, it is 10 years. However, for specific sectors, longer maximum repayment periods apply. For instance, rail infrastructure projects are subject to repayment periods of 12 to 14 years, while non-nuclear power plants have 12 years, and nuclear power plants have 18 years (ibid.).[2]

Minimum Interest Rates are commercially indexed (CIRRs – Commercial Interest Reference Rates), calculated regularly by the OECD for each participant based on the yields of its government bonds plus a margin.

Minimum Premium Rates are charged to the account for the credit risk when providing an officially supported export credit, i.e. the risk of non-repayment of the export credits. The premium rates depend on the level of risk, which includes the country risk (with seven risk categories), time at risk and any political and commercial risk. Country-specific risk encompasses transfer and convertibility risk (i.e. the risk of a government imposing capital or exchange controls that prevent an entity from converting local currency into foreign currency and/or transferring funds to creditors located outside the country) and cases of *force majeure* (e.g. war, expropriation, revolution, civil disturbance, floods, earthquakes) (ibid.).

Grace periods are limited under the Arrangement. A first instalment of the principal and interest payment must be made within six months of the start of the credit and at least every six months thereafter (ibid.). Longer repayment periods for principals and interest rates are allowed only in exceptional circumstances.

Two aspects of the Arrangement should be highlighted. Firstly, the Arrangement does not count major emerging countries operating their own export credit systems as participants. This includes, in particular, countries like China, India and Brazil. Though the latter may align some of their procedures with the Arrangement, efforts to integrate these countries into the Arrangement have so far failed. [3] This represents a lacuna with respect to the foremost objective of the Arrangement, that is, to level the playing field in the area of export finance (for a discussion see, among others, Bunte, Gertz, and Zeitz 2022). Secondly, the scope for providing preferential conditions has traditionally been circumscribed by the Arrangement. Only more recently have discussions for a modernization of the Arrangement intensified amongst Participants

[2] There is an ongoing modernisation of the Arrangement with new terms and conditions become applicable most likely this year. The CCSU will allow extended Maximum Repayment Terms for climate-friendly projects of 15 to 18 years.

[3] As a member of the Sector Understanding on Civil Aviation since 2007, Brazil represents a partial exception. Also, Turkey has become an observer to the Agreement in 2006.

to promote more favourable terms for certain sectors deemed critical, for instance, for the green and energy transitions. An agreement on these discussions was reached at the end of March of 2023, the outcome of which widens the scope of green and climate-friendly transactions benefitting from extra incentives in the form of more flexible financial terms and conditions.[4] (see section 4.1.2.2.).

2.1.2 The common approaches for officially supported export credits and environmental and social due diligence

Members of the OECD have increasingly exchanged information on policies, experiences and practices in the domain of export credits since the 1990s, especially with regard to environmental and, more recently, to social issues. A series of negotiations lead to several agreements and official recommendations which outlined measures to be taking regarding how to deal with potential environmental and social impacts in importing countries seeking export credit support. This resulted in an *OECD Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence* (the "Common Approaches"), adopted on 28 June 2012 and revised on 6 April 2016. This recommendation can be seen as the central guideline for environmental and social due diligence of ECAs, that despite its *de-jure* non-binding nature is respected by the Participants.

The Common Approaches are integral to Participants' decision-making and risk management systems and apply to all types of officially supported export credits for exports of capital goods and/or services with a repayment term of two years or more. Exempt from the scope of application are (i) exports of military equipment, (ii) exports of agricultural commodities, and notably (iii) support for foreign direct investment, whether through insurance or financial support (OECD 2022c).

While ECAs are required to perform a screening process for all applications, a due diligence assessment under the Common Approaches is required by the Common Approaches for projects with a transaction volume of more than Special drawing rights (SDR) 10 million or located at or near a sensitive area such as a National Park (see Box 1).[5] Based on the information provided by the client requesting export support, the assessment benchmarks the project's expected impacts against international standards, in particular, the World Bank Safeguard Policies and/or the Performance Standards of the International Finance Corporation (IFC). Other relevant standards may apply to specific sectors, such as the Hydropower Sustainability Assessment Protocol and the Core Values and Strategic Priorities of the World Commission on Dams (WCD) or the standards of the World Organisation for Animal Health (OIE) for animal welfare issues. Besides this, host country standards should be adhered to, and ECAs must seek assurance that the project complies with local legislation and regulations (ibid.).

Depending on the severity of the expected environmental and social impacts, projects are then classified into four categories: A, B, C, and existing operations. Category A projects are those that have the 'potential to have significant adverse environmental and/or social impacts, which are diverse, irreversible and/or unprecedented.' These impacts, as specified in the Common Approaches, 'may affect an area broader than the sites or facilities subject to physical works' (OECD 2022c, 8). Examples listed in the Annex include crude oil refineries, thermal power stations, installations involving nuclear fuels, steel and chemical production sites, airports, motorways, railway lines, sea ports, waste processing sites, dams, large-scale mining projects, cement plants, large-scale logging, oil and gas development, large-scale tourism projects, intensive farming sites and a range of other projects (ibid., 15). Category B projects entail impacts that are 'less adverse' than those of Category A. These projects have fewer impacts overall, and any impacts tend

[4] For more info see https://policy.trade.ec.europa.eu/news/oecd-members-agree-eu-initiative-modernise-export-credits-2023-04-03_en (27 April 2023)

[5] Special drawing rights (SDR) are an artificial currency created by the IMF. Its value is calculated by a weighted basket of important national currencies, i.e. the US Dollar, Euro, Japanese yen, Chinese yuan, and the British pound (Kenton 2022). Its value is published regularly, e.g. at the IMF website. At 24th March 2023, 1 SDR was valued at .25 (IMF).

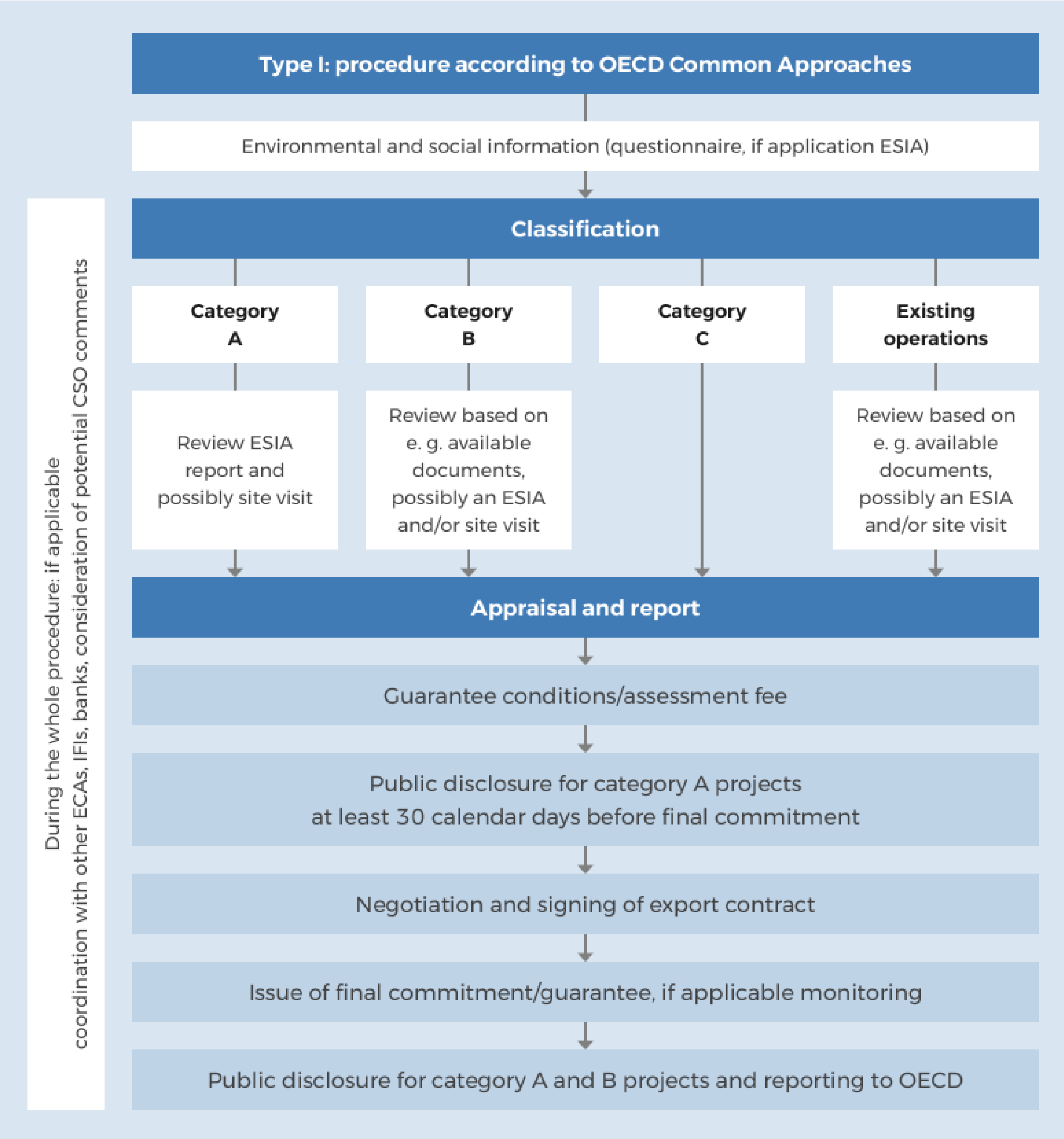
to be site-specific, readily mitigated and largely reversible. Category C, finally, includes all projects with 'minimal or no potentially adverse environmental and/or social impacts'.

For category A projects, an Environmental and Social Impact Assessment carried out by a competent body should be performed. Consideration must also be given to measures that can be taken to prevent, minimise, mitigate or remedy adverse impacts and/or to improve environmental and social performance, as appropriate to the size of the relevant parties involved in the project, the context of their operations, the nature and extent of potential adverse impacts, the international standards applied to the project, and the significance of the ECA's share in the overall project. Should the occurrence of severe project-related human rights impacts be deemed highly likely, an environmental and social review may need to be complemented by a specific human rights assessment (ibid.). Information on category A projects, along with the results of the review, must be publicly disclosed by the ECA. A contact point and/or website link for the buyer and/or project sponsor should also be provided. This disclosure should occur as early as possible during the review process and no later than 30 calendar days prior to the final commitment to grant official support.

Where a review establishes likely severe environmental and/or social impacts of a project, the ECA might either decline support or make its decision for support conditional on the fulfilment of measures to prevent, minimise, mitigate or remedy potential adverse environmental and social impacts. In this context, ECAs may require a project sponsor to devise further action plans, together with additional monitoring and reporting requirements. According to Paragraph 30, however, an ECA may, in exceptional cases, decide to support a project even when it does not meet the relevant aspects of the international standards against which it has been benchmarked. In such cases, the reasons for the choice of international standards, the reasons for the failure to meet such international standards, the related justification for supporting the project, and any related monitoring procedures must be reported to the OECD Export Credit Group (OECD 2022c).

Given that the review procedure described above (and described in further detail in Section 4 of this study) opens some room for interpretation and discretion, peer learning and peer pressure are important in securing a balanced application of the Common Approaches. This exchange is mainly achieved through technical discussions among the environmental and social experts (the 'Practitioners') working in ECAs. Practitioners meet regularly to discuss the implementation of the prevailing Common Approaches, share experiences of project due diligence and agree on proposals for amendments to the Common Approaches that might be forwarded to the ECG (OECD Export Credit Group) for approval. Practitioners are also tasked with developing Guidance Notes to inform the application of the Common Approaches. One such example is the Guidance Note on Good Practice in the use of Consultants by export credit agencies, which provides a compilation of recommended practices for utilising environmental and social consultancy services by ECAs.

Box 1. Environmental and social due diligence under the OECD Common Approaches



Source: OeKB n.d.

There are a number of observations to be made here. First, it is important to note that the Common Approaches, as well as the benchmarking standards listed in it, do not prescribe substantive standards that would automatically disqualify a project based on its environmental impacts, such as, for example when exceeding a certain level of Greenhouse Gas (GHG) emissions. Final decisions are always taken by the respective ECA, and the Common Approaches offer a rather broad margin of discretion, as indicated in Paragraph 30. The (relative) strength of the Common Approaches lies in (i) providing a structured process requiring ECAs to follow a sequence of steps and (ii) a degree (albeit limited) of transparency in the process, which allows for peer learning and, where necessary, peer pressure.

Secondly, the Common Approaches contain a rather vague proportionality principle that links the assessment of environmental and social impacts to the size of the project, the role of the companies involved in a project and the significance of the respective ECA's share of the project. While this may make sense intuitively, no guidance is provided with respect to thresholds or rules of thumb that should be applied when making judgements on these issues. Given that large infrastructure projects, for example, typically involve a sizable number of companies and suppliers, the share of individual companies might be comparatively small, thus conferring a rather large degree of discretion to ECAs in making decisions on proportionality.

Finally, it must be noted that any conditionalities to mitigate environmental and social harms apply only during the duration of the contract. Ex-post remedies such as complaints procedures, an ombudsperson or any comparable system by which a project's effects can be reviewed once the project has been completed are not covered by the Common Approaches. This stands in marked contrast to the practice of some ECAs and other financial institutions. Export Development Canada (EDC), the Japan Bank for International Cooperation (JBIC) and Export Finance Australia (EFIC) have had established complaints mechanisms in place for ten or more years ago (Baxewanos and Raza 2013). Similarly, The World Bank operates a Grievance Redress Service, which allows parties affected by a World Bank-sponsored project to file a complaint up to 15 months after it has been formally closed (World Bank). The IFC, too, has long established a Compliance Advisor Ombudsman (CAO) to hear complaints from parties affected by IFC-supported projects.

2.1.3 OECD guidelines for multinational enterprises

The OECD Guidelines for Multinational Enterprises are recommendations on responsible business conduct addressed by governments to multinational enterprises operating from or within the 50 adhering countries. Adopted in 1976 and most recently updated in 2012, the Guidelines are legally non-binding, but implementation is encouraged by the OECD Investment Committee and its Working Party on Responsible Business Conduct.

The Guidelines cover substantive provisions on responsible business conduct across a range of issues, including employment and industrial relations, human rights, environment, information disclosure, combating bribery, consumer interests, science and technology, competition and taxation. In addition, the OECD has developed more detailed guidance across a number of sectors, namely extractives, mineral supply chains, agricultural supply chains, garment supply chains, and the financial sector, in order to help enterprises implement the Guidelines and proactively identify risks of adverse impacts.

Perhaps most notably, the Guidelines stipulate the establishment of National Contact Points (NCPs) in adhering countries, charged with promoting observance of the Guidelines by multinational enterprises. The NCPs operate a grievance mechanism called 'specific instances', through which affected parties can bring to the attention of an NCP any alleged non-observance of the Guidelines' recommendations. The NCP is then responsible for assisting the parties in finding a resolution for the issues raised by providing access to consensual and non-adversarial procedures. Since the mediation procedure was established in 2000, 450 specific instances have been handled covering such areas as employment and industrial relations, environment, human rights and disclosure of information. The database on specific instances covers the 2000-2019 period and is accessible to the public (OECD n.d.).

While the Guidelines do not explicitly address officially supported export credits, and although NCPs typically operate under a separate institutional setup – often they are affiliated to Ministries of Economic Affairs – the Common Approaches require ECAs to promote awareness of responsible business conduct among its clients and to consider any relevant information made publicly available by NCPs, should these be relevant to a specific environmental and social due diligence review (Paragraph 16). As in the case of investment support (both insurance cover and financing), under the Common Approaches, ECAs themselves are not obliged to perform a due diligence review. Nonetheless, applicants are expected to adhere to the OECD guidelines, albeit on a best-endeavours basis. The project itself, however, is not scrutinized, leading to a regulatory gap in the environmental and social due diligence of investment projects supported by ECAs. This gap is not remedied by the OECD Guidelines.

2.1.4 OECD recommendation on bribery

The OECD is a core regulatory body in combating bribery in international business transactions. A legal process grounded in the 1997 OECD Anti-Bribery Convention led to the adoption of the OECD Recommendation of the Council on Bribery and Officially Supported Export Credits in 2006. Following a review in 2015, this Recommendation was updated in 2019 (OECD/LEGAL/0447). Adherents to the Recommendation include OECD Members (including the EU), Brazil, Peru and the Russian Federation.

The OECD Recommendation requires ECAs to combat bribery within their own respective organisations, for example, through implementing a management control system or providing staff training, but also with respect to applicants, through implementing due diligence processes, screening applicants to identify those applications posing the highest risks. Where the ECA has reason to suspect that bribery may be involved in the transaction, enhanced due diligence measures may be necessary. This may be the case when a party has been previously convicted of violating bribery laws, been subject to equivalent measures, or been found as part of a publicly-available arbitral award to have engaged in bribery within a five-year period preceding the application, or when a party is listed on the publicly available debarment lists of one of the Multilateral Financial Institutions (OECD 2019).

Should the screening, due diligence and/or enhanced due diligence conclude that bribery was involved in the transaction and/or if sufficient declarations are not provided by applicants, the Recommendation mandates the ECA either to refuse to provide official export credit support or to make support contingent on the fulfilment of certain conditions, such as, for example, warranties of compliance or rights of audit. ECAs are also required to inform their law enforcement authorities of any credible allegations (ibid.).

2.2 The regulatory framework of the EU

By virtue of Council Decision 2001/76/EC of 22 December 2000, reiterated in Regulation (EU) No 1233/2011 of the European Parliament and the Council, the OECD Arrangement on officially supported export credits is an integral part of EU law and as such applies within the European Union. In the regulation, the EC is granted the power to issue delegated acts in the event of any changes to the OECD Arrangement.

Annex I of the Regulation requires Member States to submit an Annual Activity Report to the EC, including information on assets and liabilities, claims paid and recoveries, new commitments, exposures and premium charges. Where contingent liabilities might arise from officially supported export credit activities, those activities shall be reported. Also, the report should describe how environmental risks are taken into account in the officially supported export credit activities of their respective ECAs. The Regulation explicitly notes that EU Member States should comply with the Union's general provisions on external action – consolidating democracy, respect for human rights and policy coherence for development, and the fight against climate change – when establishing, developing and implementing their national export credit systems and when carrying out their supervision of officially supported export credit activities.

On this basis, the EC produces an annual review for the European Parliament, including an evaluation regarding the compliance of ECAs with Union objectives and obligations (see Annex 2 for a list of reports). Responding to a 2018 decision of the European Ombudsman (in the context of case 212/2016/JN), the EC improved its reporting practices in the 2020 report and initiated consultations with civil society organisations, the Council, Parliament and the European External Action Service in 2019-2020. The new and enhanced checklist template requests more detailed and specific information from Member States' export credit agencies, especially with regard to Member States' obligations to respect the protection of human rights, climate and environment when providing official support for export credits. Although more information is provided on environmental and social due diligence procedures, information on financial support is only given for five major ECAs in 2020 (of a total of 20 ECAs), and no financial data is available on any official support provided on a sector and recipient country basis. From the perspective of interviewed partners from some civil society organizations in the environmental and human rights sector, there also still appears to be room for improvement with respect to coverage and level of detail in the Annual Activity Reports (for further discussion, see Section 5.3).

Finally, the corporate sustainability due diligence directive (CSDDD), as proposed by the EC in February 2022 (COM(2022) 71 final), could have an impact on EU ECAs. Under the proposal, companies with more than 500 employees and EUR 150 million turnover would have to identify, mitigate and remedy risks and violations of human rights and international environmental agreements along their value chains. The inclusion of the financial sector – and thus of ECAs – into the scope of the CSDDD is however contentious, with the Council of Ministers adopting a common negotiating position in December 2022 for a carve-out of the former.

3 EU Member States' Export Credit Systems

This section provides an overview of the existing export credit systems of EU Member States. It explains the general functioning of export credits, introduces the ECA systems of EU Member States and compares their financial transaction volumes.

Within the EU, there are currently 25 such ECAs in 21 EU Member States, with Sweden and the Czech Republic each operating two separate ECAs. Official export credits support thus a recognized instrument of export finance in the European Union. According to the Annual Review provided by the European Commission, all of these ECAs provide official support within the scope of application of the OECD Arrangement on Officially Supported Export Credits, and all provide 'pure cover' in the sense of guarantees or insurance. The organisational structure of ECAs is found to be heterogeneous, with programmes being managed by more than twenty-six bodies, from government departments to branches of private companies operating under a public mandate. The nationally idiosyncratic structures are rooted in domestic history, reflected both in the products offered by ECAs and in their allocation.

3.1 European ECA activities: new and outstanding commitments

Though new ECA commitments are reported to the OECD Export Credit Secretariat in detail, they are made publicly available only in highly aggregated form due to reasons of business confidentiality, allowing no analyses of specific (groups of) ECAs.[6] To analyse European ECA operations, this study thus retrieves information from annual activity reports published by ECAs.

It should be noted that no common standards for these public reports exist and that reporting is performed at different levels of detail and consistency. Analyses of activities, therefore, rely on judgement and should be interpreted with a degree of caution. As the data provided in the activity reports of several Member States do not allow differentiation between insurance/guarantees and lending, ECA commitments throughout this study do not differentiate between these instruments and could thus refer to either. Indicatively, data provided in the Commission's Annual Review suggest that, among the largest EU ECAs, the volume of pure cover currently amounts to approximately four times that of financing support (EC 2022a, 3f.). The data sources consulted for the present study also do not permit statements about the maturity of ECA transactions.

Table 1 displays the latest available data (2021, unless otherwise stated) as well as data from 2017 on outstanding and new commitments by European ECAs based on information provided in ECA annual

[6] Note that ECAs do publicly disclose social-, environmental and climate-related aspects of ECAs activities in line with the Common Approaches, including the relevant documentation for each transaction within the reporting scope. Although the quality of the presentation of the data varies, relevant documents are available in principle. Further, there is also some level of public disclosure of the documents by ECAs mentioned in the Activity Report. A number of ECAs also provide data that can be assessed online but data tend to be reported in formats which are not directly comparable.

activity reports. Outstanding commitments are amounts guaranteed by or debt owed to ECAs from transactions in the past and are thus a stock variable. Outstanding commitments to EU ECAs amounted to a total of EUR 0.49 trillion in 2021. As noted, this figure does not consider the maturity of a transaction, i.e., when the transaction is closed due to payment or debt is due to be paid. The figure nevertheless gives a sense of the magnitude of commitments, showing that ECAs insure sizeable volumes of trade and cross-border investment projects. In comparison, based on estimates for 2021, the EU accounted for EUR 4.3 trillion in total global trade and EUR 6.8 trillion in intra-EU trade (EU n.d.).

The stock of outstanding commitments has generally increased over the period of 2017-2021, with some exceptions. The biggest players in terms of outstanding commitments are Germany, Belgium, Italy, Sweden and France. By contrast, ECA volumes in the Central and Eastern Europe region are considerably smaller. No comparable information could be obtained regarding Hungary, and Spain. Greece, Bulgaria, Cyprus, Ireland, Latvia, Lithuania and Malta did not provide any officially supported export credits in the sense of Regulation (EU) No 1233/2011 during the reporting year.

New commitments are fresh transactions accruing in a year and are thus a flow variable, indicating the current level of activity in export credit finance. In 2021, a total of EUR 88 billion in new commitments can be collated from activity reports. For comparison, the total commitments in the 2021 EU budget amounted to EUR 164 billion. European ECAs thus insured projects totalling a financial magnitude of around half the EU budget.[7] The biggest players are, again, Germany, Italy, France and Sweden. No data are available for Belgium. It should be kept in mind, however, that 2021 may constitute a somewhat extraordinary year on account of the COVID-19 pandemic and its negative impact on global trade and investment.

The five right-hand columns in Table 1 break down new commitments by geographical allocation. As this is not a category with consistent reporting across activity reports, for the purpose of this study, volumes were assigned, where possible, to broad regional aggregates. Generally, however, only a fraction of commitment volume across ECAs is reported in a way that allows geographical disaggregation Based on this, Europe is currently the main area of operation with an average of 53 % of new commitments, followed by Asia, including Russia and Australia (19 %), Africa (16 %), South America (5 %) and North America (9 %). Note that the share of commitments towards Africa contains an outlier, the Czech Export Bank, which reports two-thirds of its operations in that region. If this case is excluded, the average of new commitments in Africa falls to 11 %. Table 1 also provides averages weighted by new commitments, which provides a similar picture with somewhat larger European and somewhat smaller Asian geographical shares.

With a view to change in the geographical allocation of commitments over time, ECA activities in North America and Asia declined during the period of observation while those in Europe rose and those in South America and Africa remained relatively constant. Again, it is worth bearing in mind that the years following 2020 are special due to the COVID-19 pandemic, which may have resulted in an unusually strong inward orientation of ECA portfolios.

Overall, the geographical spread of activity reflects the structure of European export business and is thus concentrated in the wider European region itself. Countries with historically strong ties to Africa, such as Belgium, France or Italy, have relatively higher commitments in that region. It is worth bearing in mind, though, that ECAs, unlike development banks, do not tend to operate in countries where the political situation is fragile or where property rights are insecure for other reasons. This may generally limit engagement in countries within the African region. Germany and Austria have above-average exposure to Asia, notably due to trade with Russia.

[7] Please note that only a small fraction of ECA transactions result in claims actually paid. ECAs are only bound to provision certain sums in their budgets for the case of claims, and these sums are a relatively small percentage of the value of exports.

Table 1. ECA commitments and their geographical allocation (2017 and 2021)

Country		Outstanding commitment (million EUR)	New commitment (million EUR)	New commitments by geographical region (in %)				
				Africa	North America	South America	Europe	Asia
AT	2021	28 168	3 972	12	6	4	37	41
	2017	24 436	5 355	6	0	7	46	42
BE[8]	2021	66 987	n/a	16	3	9	48	24
	2017	55 437	n/a	16	4	10	46	24
CZ (CEB)	2021	1 695	90	67	1	0	31	0
	2017	2 851	183	2	12	6	10	70
CZ (EGAP)	2021	4 092	1 457	2	n/a	n/a	70	18
	2017	7 224	1 828	n/a	7	n/a	1	90
DE[9]	2021	128 000	20 150	8	14		31	47
	2017	121 000	16 860	13	8		35	45
DK	2021	13 777	2 587	2	n/a	n/a	40	27
	2017	8 593	1 547	4	n/a	n/a	54	30
EE[10]	2021	964	361	n/a	n/a	n/a	n/a	n/a
	2017	550	268	n/a	n/a	n/a	n/a	n/a
ES	2021	12 992	2 230	23	1	4	65	6
	2017	5 368	1 316	n/a	n/a	n/a	n/a	n/a
FI	2021	22 405	3 338	1	9	8	74	8
	2017	22 427	6 518	8	79	3	4	7
FR	2021	60 400	12 000	14	12	3	45	24
	2017	69 000	18 872	n/a	n/a	n/a	n/a	n/a
HR	2021	477	349	n/a	n/a	n/a	n/a	n/a
	2017	267	229	n/a	n/a	n/a	n/a	n/a
IT	2021	66 836	12 779	18	36		20	27
	2017	50 562	17 338	54	28		11	7
LU	2021	681	875	6	0	5	79	10
	2017	747	556	9	1	10	54	25
NL[11]	2021	21 800	5 600	n/a	n/a		n/a	n/a
	2017	16 800	4 800	n/a	n/a		n/a	n/a
PL	2021	n/a	6 616	n/a	n/a	n/a	n/a	n/a
	2017	n/a	3 752	n/a	n/a	n/a	n/a	n/a
RO	2021	12	0	n/a	n/a	n/a	n/a	n/a
	2017	18	60	n/a	n/a	n/a	n/a	n/a
SE[12] (EKN)	2021	31 613	6 928	n/a	n/a	n/a	n/a	n/a
	2017	22 492	3 586	n/a	n/a	n/a	n/a	n/a
SE (SEK)	2021	26 090	6 900	21	8	4	64	3
	2017	24 030	7 980	9	49	2	39	1
SL[13]	2021	886	2 782	n/a	n/a	n/a	n/a	n/a
	2017	565	613	n/a	n/a	n/a	n/a	n/a
SK[14]	2021	2 548	171	n/a	n/a	n/a	89	n/a
	2017	1 140	71	n/a	n/a	n/a	n/a	n/a
Average	2021	Unweighted		16	9	5	53	20
	2017			13	21	6	30	34
	2021	Weighted by new commitment		15	9	4	54	18
	2017			8	44	4	30	15

Source: Authors' calculations based on ECA annual activity reports (see Annex 1 for sources). No information could be obtained for HU and PT. GR, BG, CY, IE, LV, LT and MT did not provide officially supported export credits in the sense of Regulation (EU) No 1233/2011 during the reporting year.

[8] New commitments of Belgium are only reported before cession to reinsurer, hence data may not be comparable to other ECAs. Geographic concentration for Belgium refers to total outstanding commitments rather than new commitments.

[9] Geographical allocation is an approximation based on the largest countries of operation.

[10] Annual Reports contain no overall distribution of destination countries. Main countries in Europe: Sweden, Finland and Latvia. Main non-European countries: Jordan, Kyrgyzstan, Vietnam, and Algeria.

[11] An earlier version of this study contained a larger estimate based on a measure of total exposure. We corrected this to the current numbers. Geographic concentration refers to total outstanding rather than new commitments.

[12] Geographic concentration: OECD high-income (44.9 %), Africa (32.5 %), Asia (9.1 %), South America (8.9 %), Europe (4.5 %)

[13] Numbers contained in an earlier version of this study were corrected. Geo. concentration not available, but largest countries are Russia (20.7 %), followed by Serbia (8.9 %), Ukraine (7.3 %), Croatia and Germany (each 5.6 %), Romania (4.8 %), Italy (4.6 %), Bosnia and Herzegovina (3.8 %), France (2.9 %) and Poland (2.7 %)

[14] For reasons of data availability, the top row for SK refers to 2020 rather than 2021.

4 Compliance of export credit agencies with EU objectives

This section provides an overview of existing practices and relevant transactions of export credit agencies of EU Member States. We first consider EU environmental objectives and practices with an emphasis on climate change goals. Second, we analyse social due diligence practices with an emphasis on risk assessment practices and classifications. Third, we explore anti-bribery and other relevant disciplines, focusing on the incorporation of international standards and guidelines in ECA policies.

4.1 Treatment of environmental risks by ECAs

4.1.1 EU environmental objectives

The European Union has committed itself to ambitious goals regarding environmental sustainability. Most notably, the EU signed and ratified the Paris Agreement under the United Nations Framework Convention on Climate Change in 2016 with the goal of limiting the long-term global temperature increase to 1.5 degrees Celsius above pre-industrial levels. In accordance with this declaration, the EU adopted a 'European Green Deal' strategy, in which it strives to be 'the first climate-neutral continent' (EC 2020) in the world – a commitment also reiterated in the Global Gateway investment initiative (EC 2021a).

The EU Green Deal envisages a net reduction of greenhouse gases of at least 55 % by 2030, compared to 1990 levels, eliminating GHG emissions entirely by 2050, as also stipulated in the Paris Agreement. The EU aims to achieve these goals while achieving economic development and securing its position as an industrial powerhouse, thus relying on a decoupling of economic growth from resource use. Overall, the determination to protect natural resources and decarbonize the economy, in particular, is strong throughout all recent EU communication and can be considered a top policy priority.

It is in this spirit that the 2021 Trade Policy Review, which outlines the European strategy on trade, refers to the green transition as the 'defining objective of our time' against the background of accelerated climate change, biodiversity loss and environmental degradation (EC 2021b). The green transition is considered in this document as a 'core objective' of European trade policy, and the Commission explicitly envisages trade policy as an instrument in bringing about a green transition. With regard to trade tools specifically, the Trade Policy Review underlines the Commission's determination that such tools 'accompany and support a global transition towards a climate neutral economy'. This includes investments in clean energy as well as sustainable value chains, the promotion of responsible business conduct and respect for environmental standards. Further, tools should also be used to create opportunities specifically for 'sustainable products and services.'

The Council of the European Union, too, has called for an agenda of environmental sustainability in a Conclusion (Council of EU 2022) specifically addressed at export finance. The Conclusion names ECAs as instrumental in enabling Member States to 'finance the green transition and support environmentally sustainable projects'. In the spirit of an EU climate pact for export finance, the Council calls on the Commission to work towards an agreement in the OECD Arrangement 'to ending officially supported export credits for projects in the fossil fuel energy sector'. Echoing the approach taken by the Trade Policy Review, the Council's conclusion declares support for strategies to 'incentivise environmentally sustainable projects'. While the Conclusion does not set a common roadmap, it announced the intention by the Member States to determine by the end of 2023 in their national policies their own 'science-based' deadlines for ending officially supported export credits to fossil fuel energy sector projects, unless in limited and clearly defined circumstances that are consistent with a 1.5°C warming limit and the goals of the Paris Agreement. Further, it signals that Member States are willing to enrich their annual reporting to the Commission pursuant to Annex I of Regulation (EU) No 1233/2011, with a climate-oriented review of their respective officially supported export credit activities, sector by sector according to a commonly agreed methodology to be defined by the end of 2023.

Further documentation relevant in this context are the Conclusions on Climate and Energy Diplomacy adopted by the Council in 2021 (Council of EU 2021). In these, it is reiterated that climate change poses an 'existential threat to humanity' and that GHGs are on an 'unsustainable 'trajectory'. In particular, the Conclusions highlight the 'very important role of sustainable finance' for combatting climate change and, more specifically, '[urge] all countries to also align their trade promotion, finance, aid and foreign investment strategies with their domestic climate pledges and Paris Agreement commitments' (ibid.).

Beyond the remit of trade-related climate goals, the Commission has put forward economic and industrial strategies with relevance to ECA policies. In particular, it adopted the Global Gateway initiative, a global investment initiative focusing on infrastructure projects that are 'clean, climate-resilient and aligned with pathways towards net zero emissions', notably in the digital, health and education sectors (EC 2021a) as well as the Green Deal Industrial Plan for the Net-Zero Age (EC 2023). Both initiatives mention a possibility to an EU export credit facility and that efforts will be made to develop a corresponding strategy and tools to improve coordination.

In addition to the EU Acquis, 12 Member States of the EU signed the 'Glasgow Statement' during the COP26 conference in Glasgow in 2021. This statement, also known as the Statement on International Public Support for the Clean Energy Transition, pledges to end the provision of 'new direct public support for the international unabated fossil fuel energy sector', with official export credit agencies explicitly named in the Declaration. The statement also calls for an 'accelerated alignment' of international public finance with the goals of the Paris Agreement. Further, a set of Member States have joined the Export Finance for Future (E3F) initiative (see section 4.1.3.1).

4.1.2 ECA alignment with EU policy goals: approaches and practices

ECAs are active in promoting exports across a wide range of economic sectors with potential benefits and risks to the environment. They may facilitate trade in goods that may potentially cause environmental harm (such as sensitive chemicals) or may facilitate the construction of plants or infrastructure posing risks to the natural environment (e.g. degrading certain natural resources or producing certain emissions). Conversely, ECAs may also promote trade in goods or the construction of infrastructure that contributes to making natural resource systems more resilient, or that help reduce existing environmental degradation (e.g. the provision of filtering systems, the construction of waste disposal infrastructure or the exploitation of renewable energy sources).

ECAs have three main options at their disposal for ensuring alignment with EU policy goals. First, ECAs can perform due diligence to systematically *identify* environmental risks. Second, ECAs can *opt in or out* of financial support and thus, to some extent, *(dis)incentivise* activities vis-à-vis policy criteria. Third, ECAs can *report* information on their portfolios, risks and compliance practices.

These tools are based on the Environmental and Social Impact Assessments (ESIA) outlined, amongst other things, in the 'Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence' (OECD 2022c) of the OECD. This document, also known as the 'Common Approaches,' was adopted by the OECD Ministerial Council in April 2016 to establish a level playing field for exporters from different countries. An overview of the Environmental Assessment Procedure of the individual OECD countries is available on the OECD website. In addition to the Common Approaches, countries are, of course, free to adopt more stringent or ambitious policies.

4.1.2.1. Identifying and assessing risks

Risk identification entails various measures to evaluate the potential impacts of ECA projects. Most notably, this includes the use of ESIAs, but also other mechanisms for pre-screening risks, such as classifying them into risk categories and providing stakeholders means of alerting ECAs to potential risks or harms through complaint mechanisms.

The OECD Recommendation on Common Approaches for Officially Supported Export Credits provides a set of common principles for undertaking environmental due diligence. The OECD defines due diligence as the process 'through which Adherents identify, consider and address the potential environmental and social impacts and risks relating to applications for officially supported export credits as an integral part of their decision-making and risk management systems'. Impacts, in this case, are defined as 'impacts on the environment as a result of the activities of an existing operation or of the construction and/or operation of a project', while risks refer to the probability of such impacts occurring (OECD 2022c, 5).

The Common Approaches distinguish six main steps for identifying and dealing with ecological risk: Screening; Classification; Review; Evaluation, Decision and Monitoring; Exchange and Disclosure of Information and Reporting and Monitoring. Typically, projects only need to be screened for such risks if they have a repayment term of two years or more. With regard to the environment, projects are specifically screened in terms of their proximity to 'sensitive areas', including 'National Parks and other protected areas identified by national or international law' and similarly fragile or significant locations. Even if projects are not located in such areas, Adherents still screen projects if their 'share is equal to or above SDR 10 million' (ibid., 7).

Generally, the Common Approaches foresee an environmental *Review* of all projects associated with risks, which benchmarks the environmental performance against relevant international standards such as the World Bank Safeguards and IFC Performance Standards and considers measures to prevent, minimise, mitigate or remedy adverse impacts. While the scope of a review for a Category B project 'may vary from project to project', for all Category A projects, adherents should require an Environmental and Social Impact Assessment to be undertaken (ibid., 9f.). See section 2.1.2 for information on the risk categories.

ECAs are expected to evaluate the information extracted from screening, reviewing and assessing projects to decide whether to approve or decline official support and to determine any conditions tied to such support. If financing goes ahead, *ex-post* monitoring reports are required. It is worth noting that identifying risk in the process of review and assessment does not mean that a project is ineligible for ECA support. Rather, as noted already in Section 2, any support is at the discretion of the ECA or the relevant supervisory body and is policed through peer pressures within the OECD.

ESIAs, along with site visits, are the key routes to identifying risk. ESIA is a standard safeguard procedure and one that is routinely performed as part of the OECD Common Approaches. ESIAs are typically conducted by specialized agencies at the request of the company applying for ECA insurance/financing. While the ECA does not perform the ESIA itself (at least not in the case of category A projects), it is still required to assess documents, reports and studies. The quality of this assessment is crucial, as is the skill level of both project partners and ECAs in evaluating risks, conducting site visits and consulting with stakeholders.

ESIA has other potential limitations, as they may not necessarily ensure compliance with ambitious environmental goals such as those set in the Paris Agreement or the European Green Deal. In practice, ESIA may be limited to assessing relatively direct and local risks to natural resources. It should be noted, however, that ESIAs only apply to projects of a certain volume and where pre-screening suggests risk may be a relevant factor.

4.1.2.2. Providing (dis-)incentives towards ECA activities

Incentives and disincentives refer to measures that either promote or restrict financing activities towards certain sectors through preferential terms or other proactive strategies. ECAs are, depending on national law, usually free to opt out of financing. However, their policy space towards the promotion of activities is restricted by the OECD Arrangement, which aims to guarantee a level regulatory playing field. Generally, it is worth bearing in mind that ECAs do not typically follow sector strategies but rather respond to demands for insurance that are determined by a country's foreign trade and capital market structure. Like banks, they insure projects if these are deemed commercially viable and do not fall under specific exclusion criteria, such as sanctions, bans or unacceptable risks (particularly at a country level).

This sets ECAs apart from other public finance institutions, such as development banks, which follow dedicated sector strategies and make resources conditional upon the promotion of defined policy goals. That said, there are elements of sectoral priorities in ECA operations. In addition to the general ban of official financing support for unabated coal fired power plants, some ECAs exclude specific sectors (such as arms trade) or certain actors (if this may incur reputational risk). Further, the OECD Arrangement includes specific sector understandings, such as the Renewable Energy, Climate Change Mitigation and Adaptation and Water Projects Sector Understanding. The CCSU sets out more favourable financial terms and conditions for the provision of officially supported export credits relating to projects that fall into this sector. It has been extended to include both climate change mitigation and adaptation projects and may be expanded further (OECD 2022a, 78ff.).

There is an ongoing development in the OECD to make the Arrangement more flexible in terms of preferential treatment of sectors with the goal of promoting goals such as the Paris Agreement. In March 2023 it was publicly announced that an agreement by Participants to the OECD Arrangement to promote green and climate-friendly transactions via an amendment of the CCSU. The EU played key role in this deal, and the new sector understanding will become EU law by virtue of Reg. 1233/2011. The new rules will allow more flexible financing for climate-friendly projects, including an extension of the repayment terms and a widening of the scope of activities falling under the CCSU.

Further, a consensus was also reached in the OECD to phase out public support of ECAs for unabated coal-fired power plants. This sectoral restriction agreed on 22 October 2021 followed an earlier sector understanding dating from 2015 which imposed stricter terms and conditions for the provision of officially supported export credits relating to coal-fired electricity generation projects. The ban according to new Article 6 of the Arrangement applies to support for 'new coal-fired power plants without operational carbon capture, utilisation and storage […] facilities; and existing coal-fired power plants, unless the purpose of the equipment supplied is pollution or CO2 abatement and such equipment does not extend the useful lifetime or capacity of the plant, or unless it is for retrofitting to install [carbon capture, utilisation and storage].' (OECD 2022b, 8f.)

4.1.2.3. Reporting on activities and risks

ECAs are required to *report* information on their portfolios, including in their annual reports. This includes all measures of accountability and transparency with regard to projects and associated risks. Here, confidentiality requirements vis-à-vis their clients can affect the willingness or ability of ECAs to supply timely information regarding either ongoing or planned projects.

The applicable OECD recommendations (i.e. the Common Approaches) stipulate specifically that adherents are expected to share information with other adherents and with financial institutions involved and to disclose project information publicly within the bounds of business confidentiality and the competitive context in which ECAs operate. The Common Approaches require ECAs to make information on Category A projects publicly available at least 30 days prior to an assumption of liability. ECAs shall further monitor and evaluate practices over time and are required to report *ex-post* to the Working Party on Export Credits and Credit Guarantees on all Category A and B projects for which a final commitment has been issued. The OECD Secretariat compiles a report that is shared among members annually.

Two reporting recommendations have been added to the Common Approaches, specifically regarding climate change issues. First, adherents shall 'report the estimated annual greenhouse gas emissions from all fossil-fuel power plant projects' and shall 'report the estimated annual greenhouse gas emissions from other projects, where such emissions are projected to be in excess of 25 000 tonnes of CO2-equivalent annually, and where the applicant or project sponsor has provided the Adherents with the necessary information, e.g. via an ESIA report' (OECD 2022c, 13).

4.1.3 ECA activities by sector

Table 2 provides an overview of ECA activities by sector in the EU, and Table 4 (see following Section) breaks down activities by A and B risk categories. All information is based on data supplied in annual reports by ECAs and requires a high degree of aggregation. Indicators have been harmonized by reclassifying activities into broader sector aggregates, using the same sector typology as the OECD Export Credit Secretariat. Since ECA reporting is not bound by common standards, comparability may suffer, and the information presented here should thus be considered indicative, with more detailed data available from ECA activity reports. Missing information is denoted as n/a.

Considering the most recent data, Industry is, on average, the most frequent sector of ECA activities (32 %), followed by Transport and Storage (21 %), Energy Generation and Supply (16 %), Communication (8 %) and Mineral Resources and Mining (5 %). On average, 19 % of activities could not be allocated to any of these sectors. If we weigh the sectoral proportions by the financial volume of new commitments in 2021, Energy Supply and Generation drops to 8 % (from 16 %), and Transport and Storage remains at 21 % All data on sector allocation consider the financial share rather than the number of projects.

It is worth noting that, with the exception of Sweden, which is a strong player in the digital and ICT economy, the sector of Communication plays a relatively minor role across the ECAs considered here and shows little indication of growth. If Global Gateway and the goal of a twin (digital plus green) transition is the overarching reference frame, this may be interpreted as a sectoral misalignment with EU goals. Of course, the transactions considered date from time before the Global Gateway communication came into life. The energy sector is the one that is most clearly expanding in the time frame considered here, with Denmark, a leading exporter of on- and offshore wind technology, having almost two-thirds of recent commitments concentrated in that sector. Overall, Industry dominates, together with Transport and Storage. However, it is worth noting that while some countries have a concentration in certain sectors (e.g. Denmark or the Netherlands), others are comparatively more diversified across sectors).

Table 2. New ECA commitments by sector (2017 and 2021)

		Volume (million EUR)	By sector (in %)					
			Communication	Energy generation and supply	Industry	Mineral resources and mining	Transport and storage	Other sectors
CZ (CEB)	2021	90	0	52	11	0	5	32
	2017	183	0	59	20	0	4	18
CZ (EGAP)	2021	1 457	0	0	38	10	40	13
	2017	1 828	n/a					
DE	2021	20 150	0	11	31	1	56	0
	2017	16 860	0	21	28	0	34	17
DK	2021	2 587	0	71	9	0	0	20
	2017	1 547	0	62	0	0	5	33
FI	2021	3 338	6	1	29	8	51	6
	2017	6 518	29	5	4	0	56	6
FR	2021	12 000	3	0	24	0	31	42
	2017	18 872	n/a					
IT	2021	12 779	6.9	0	48.7	23	0	21.4
	2017	17 338	0.9	4.2	71.5	10.1	0	13.2
NL	2021	5 600	0	0	60	0	9	32

	2017	4 800	0	0	57	0	9	34
SE (EKN)	2021	6 928	28	21	20	4	22	5
	2017	3 586	21	12	31	4	26	6
SE (SEK)	2021	6 900	34	1	45	0	0	20
	2017	7 980	40	8	37	0	0	16
Average	2021	Unweighted	8	16	32	5	21	19
	2017		11	21	31	2	17	18
	2021	Weighted by volume	8	8	35	5	27	17
	2017		10	11	41	3	18	16

Source: Authors' calculations based on ECA annual (activity) reports (see Annex 1 for sources). No information could be obtained for Austria, Belgium, Croatia, Estonia, Hungary, Luxembourg, Poland, Portugal, Romania and Spain. Further, Greece, Bulgaria, Cyprus, Ireland, Latvia, Lithuania and Malta did not provide any officially supported export credits in the sense of Regulation (EU) No 1233/2011 during the reporting year.

4.1.3.1. Fossil-fuel-related and renewables-related activities

Critics have long pointed out that official export financing "overwhelmingly benefits large-scale, carbon-intensive energy development", particularly so in developing countries (Wright 2011). Shislov et. al estimate that the G20 ECAs provided substantial public financing for coal projects from 2013 to 2016 (USD 23 billion) but only USD 3 billion for renewables in the same period. These ECAs provided substantial support for fossil fuel projects from 2016 to 2018 (USD 40.1 billion) (Shishlov et. al. 2022, 8). While Tables 2 and 4 give a picture of sector and risk structure, they do not allow any assessment of the alignment of activities with the Paris Agreement. To this end, a more disaggregated analysis would be necessary.

The Export Finance for Future (E3F) ministerial initiative is worth mentioning in this context. Launched in April 2021, E3F is a voluntary coalition of currently nine EU Member States plus the United Kingdom, which seeks to promote a shift in investment patterns towards climate-neutral export projects and increased transparency (E3F 2022). E3F publishes a transparency report which tracks both transactions related to fossil fuels and transactions related to renewables based on a harmonized methodology. For the period of 2015-2020, E3F identified roughly EUR 30 billion in fossil fuel transactions compared to roughly EUR 20 billion in renewables transactions, with the latter showing a clear upward trend. Table 3 reports indicators from the E3F initiative for the relevant sample. While more comprehensive data would be highly desirable, to our knowledge, E3F is the only initiative providing such estimates for a relevant sample of EU ECAs.

In terms of the nine EU countries covered by the E3F tracking initiative, the heavy-weights of fossil-related export finance are Italy, followed by Germany and Spain. Within the fossil-fuel-related activities, power generation is the dominant sub-sector, followed by downstream, mid-stream and upstream fossil activities. Upstream refers to the exploration and extraction of oil and gas, midstream concerns its transport, and downstream covers activities that produce or market the finished petroleum product (such as refining and retail distribution). The E3F methodology shows that ECAs are also significantly active in the renewables sector and, albeit to a lesser extent, also in building electric infrastructure. Renewables are led by Denmark, which has a strong wind power industry, followed by Germany. Overall, in more than half the countries considered here, export finance for renewables exceeds that of fossil power generation. However, the E3F initiatives also show that a sizeable amount of EUR 4.5 billion of ECA finance is still directed to the upstream sector with the risk of continued long-term lock-in of fossil fuel use.

While E3F is an important step towards transparency, the information provided here should not be interpreted as implying that operations outside the sector of fossil fuels are compatible with reaching the goals of the Paris Agreement or the Green Deal. Construction projects, even in the context of renewables, may, on the contrary, draw on emission-intensive materials such as steel, aluminium and cement or otherwise contribute to the depletion of natural resources such as forests or water.

Table 3. Export finance in fossil fuels and renewables: selected EU countries (new commitments in billion EUR, 2015-2020)

	Fossil-fuel related					Renewables and electric		
	Upstream	Midstream	Downstream	Power generation	Total	Renewable energy	Electric infrastructure	Total
BE				0.1	0.1	0.3	0	0.3
DE	0.5	0.6	0.1	5.3	6.5	4.3	0.5	4.8
DK		0		0.1	0.1	9.4	0.3	9.7
ES	0.5	0.3	3.8	0.1	4.7	0.6	0.2	0.8
FI	0.4			0.6	1.0	0.1	0	0.1
FR	0.4	0.9		0.3	1.6	0.9	0.4	1.3
IT	0.4	2.7	3.6	1.7	8.4	0.8	1	1.8
NL	2.3	0	0.3	0	2.6	0.5		0.5
SE	0	0.3		0.3	0.6	0	0.4	0.4
Total	4.5	4.8	7.8	8.5	25.6	16.9	2.8	19.7

Source: Authors' calculations based on the E3F Transparency Report (E3F 2022)

A detailed assessment of ECA alignment with climate agreements exceeds the scope of the present analysis, although a promising approach can be found in Shishlov et al. (2022), who developed a methodology to assess whether ECAs are aligned with the Paris Agreement. Their method consists of scoring activities against a set of indicators in the areas of transparency, mitigation, climate finance and engagement and, to date, has provided assessments for four European ECAs, namely Germany, Netherlands, Italy and France. The latter is considered to have made *some progress* with regard to climate goals while the other three were classified, based on this scoring, as *unaligned* with the Paris climate goals (Shishlov et. al. 2023; Shishlov, Censkowsky, and Darouich 2021; Shishlov, Darouich, and Censkowsky 2021; Shishlov, Schmidt, and Censkowsky 2023). Studies for the US, Canada and Japan have also been conducted and all respective ECAs are considered in these studies to be currently *unaligned* with the Paris agreement goals (Shishlov and Censkowsky 2022; Shishlov, Censkowsky, and Schmidt 2022; Shishlov, Darouich, and Censkowsky 2021b).

4.2 Treatment of social due diligence by ECAs

4.2.1 EU social due diligence objectives

The European Union considers itself a leader in the protection and promotion of human rights and the setting of social standards. All EU Member States are parties to the European Convention on Human Rights, which was adopted in 1950. In 2000, the European Parliament, the European Commission and the Council further proclaimed the EU Charter of Fundamental Rights, which has been legally binding within the EU and its Member States since the Treaty of Lisbon entered into force in 2009. Fundamental rights are a cross-cutting issue which has to be taken into account in all fields of EU activity.

The OECD framework specifies that projects shall be screened with regard to 'whether or not there may be a high likelihood of severe project-related human rights impacts occurring'. In particular, the OECD Common Approaches with regard to social and human rights due diligence, as characterized in the EC's Annual Review, covers

> *key potential project-related social impacts including on labour and working conditions (e.g. fair treatment, discrimination, freedom of association, collective bargaining, workers' accommodation), community health, safety and security (e.g. community exposure to disease, use of security personnel),*

land acquisition and involuntary resettlement (e.g. physical displacement, economic displacement), adequate engagement with affected communities (e.g. informed consultation and participation process, grievance mechanism), indigenous peoples (e.g. free, prior and informed consent process), cultural heritage. It also covers key project-related human rights impacts, including forced labour, child labour, gender issues and life-threatening occupational health and safety situation. Particular attention is paid to vulnerable groups. (EC 2022a, 7f.)

ECAs usually perform environmental and social due diligence in one combined process of assessment. According to the Annual Review, all relevant EU members report having respective due diligence and risk management systems in place and screen all project applications accordingly. This means, in particular, screening and review of all projects and an ESIA for all projects falling into Category A.

The Annual Review only finds 'minor non-compliances, again essentially missed deadlines to submit reports or information' (ibid., 8). It is worth noting, however, that this outcome is to be expected following the methodology of the EC, which is based on self-reported, relatively general and loosely standardized information provided by ECAs. ECAs from Member States that are OECD members report on this in line with the Common Approaches which are, in principle, considered to be 'policed' by all Arrangement participants on grounds of level playing field interest. The Annual Review notes that while most Member States had a participative consultation process in place and a grievance mechanism for affected communities, some Member States still did not have any such processes. While the EC recommends improvements in this area, it notes that Member States are continuously 'reviewing their internal processes to improve their practices' (ibid., 7).

4.2.2 Environmental and social risk assessment

Table 4 lists ECA officially supported export projects by risk category and sector to the extent that such data is available. Overall, for the period 2017-2021, a total of 176 Category A projects (i.e. projects with the potential to have significant adverse environmental and/or social impacts) with a total financial volume of almost EUR 42 billion can be analyzed, based on annual reports provided by ECAs. Further, there were 395 Category B projects (i.e. with less adverse potential impacts) accounting for a total financial volume of EUR 18.4 billion. In terms of their financial size, Category B projects were, thus, on average smaller than those in Category A.

Category A and Category B projects are concentrated in the Energy Generation and Supply sector, with 49 and 97 projects, respectively, followed by Industry, with 25 and 83, respectively. Comparing this to the sectoral structure of new and outstanding commitments (Table 2) suggests that Energy Generation and Supply, as well as Mineral Resources and Mining, contribute a relatively high number of potentially risky projects, while Communications and Transport and Storage contribute comparatively few. This may be interpreted as a potential misalignment towards riskier sectors.

The European Commission, in its Annual Review, finds that all Member States report having screened all applications in compliance with the OECD Common Approaches. Furthermore, the Annual Review reports that ESIAs were carried out 'for all transactions for which an ECA made a final commitment and which were classified as Category A projects' (EC 2022a). It is, nevertheless, worth noting that the ratio of A to B projects varies significantly between the ECAs considered here. With the exception of Slovakia, the total financial volume of Category A projects exceeded that of Category B projects.

Table 4. ECA Projects by risk class and sector (new commitments, 2017-2021 total)*

	Projects			Sectors (number of projects)					
	Risk category	Volume (Mil EUR)	Quantity (Number)	Communications	Energy Generation and Supply	Industry	Mineral Resources and Mining	Transport and Storage	Other Sectors
AT	A	n/a	1				1		
	B	n/a	12		1	8		2	2
BE[15]	A	3 141	60	n/a					
	B	2 413	151	n/a					
CZ (EGAP)	A	960	4		3	1			
	B	124	3		2			1	
DE	A	17 533	43		20	13	1	3	6
	B	8 406	136		56	61	3	9	7
DK[16]	A	5 773	25	0	17	2	0	3	3
	B	4 352	39	0	27	4	0	0	8
FI	A	2 309	11	0	4	5	2	0	0
	B	573	12	0	5	6	1	0	0
IT	A	10 982	24		4	4	11	2	3
	B	1 583	19	2	3	4	2	1	7
PL	A	n/a	0						0
	B	n/a	9		1				8
SE[17] (EKN)	A	1 029	7	n/a					
	B	859	12	n/a					
SK[18]	A	47	1		1				
	B	130	2		2				
Total	A	41 774	176	0	49	25	15	8	12
	B	18 440	395	2	97	83	6	13	32

Source: Authors' calculations based on ECA annual activity reports (see Annex 1 for sources). No Information could be obtained for Croatia, France, Netherlands and Spain. Further, Greece, Bulgaria, Cyprus, Ireland, Latvia, Lithuania and Malta did not provide any officially supported export credits in the sense of Regulation (EU) No 1233/2011 during the reporting year. Estonia, Luxembourg and Slovenia had no classified A/B projects.

*The OECD has recently published a report containing specific information regarding A and B projects of Member States. The numbers differ from ours in some cases due to varying reporting procedures and methods. See OECD (2023) for details.

In the period 2017-2021, Denmark reported 60 per cent more projects classified as A or B than Italy, yet had less than one-tenth of the volume of Italy's outstanding commitment (see Table 1). While there could be reasons for such divergences rooted in the portfolio structure, they also potentially raise the question of whether different screening standards are applied.

Although mechanisms within the ECA Practitioners' Group exist that ensure a degree of harmonization, there are at least some indications that assessment practices may de facto vary. Of particular importance is whether checks and assessments are carried out independently on-site or whether ECAs rely purely on the information provided by applicants. This is also a question of the resources of ECAs and the space they

[15] 2017-2020
[16] 2018-2021. Numbers contained in an earlier version of this study were corrected to the current ones.
[17] An earlier version of this study presented data suggesting that Sweden reports a quantity of A and, particularly, B projects far in excess of any other EU ECAs. We revised this upon consultation with EKN. The differences were due to different definitions of 'projects' and 'transactions' used in EKN's and the OECD's reporting.
[18] 2016-2017

are granted to navigate the trade-off between selective project approval versus maximizing revenues and risk diversification in their portfolio. An additional challenge is the fact that ESIAs and similar procedures are performed by consulting services operating in competitive and unregulated markets.

4.3 Treatment of other relevant risks by ECAs

4.3.1 Anti-bribery standards and objectives

The EU has general legislation on anti-corruption as well as a range of anti-corruption provisions in sectoral legislation, including the Anti-Money Laundering Directive or the EU rules on public procurement and the Whistleblowing Directive. At the level of general legislation, there is, most notably, the 1997 Convention on fighting corruption involving officials of the EU or officials of EU countries, the 2003 Council Framework Decision on combating corruption in the private sector, criminalising both active and passive bribery, and the 2008 Council Decision on a contact-point network against corruption (EU 1997, 2003, 2008). Further, Article 83 of TFEU lists corruption among the 'areas of particularly serious crime with a cross-border dimension' (EU 2012, 80f.). In addition, there are a set of internal rules for EU institutions, such as staff regulations and codes of conduct, which are designed to help prevent corruption. On a political level, the Commission is expected to present measures to update the EU legislative framework for fighting corruption in 2023, as announced in the 2022 State of the Union address (EC 2022b, 17).

Recommendations on anti-corruption and anti-bribery are also a part of the OECD regulations, specifically in the area of export finance practices. In particular, there is the 1997 OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, which came into force in 1999 (OECD 1997). The OECD Arrangement contains a respective Action Statement on Bribery and Officially Supported Export Credits that was first issued in 2000 and that highlighted the importance placed by OECD governments 'on ensuring that they do not support export deals where bribery is involved in the award of contract, and signals their commitment to take concrete, co-ordinated measures in support of this objective, bearing in mind that countries operate under different judicial instruments and institutions.' (OECD 2008)

In 2019, OECD Members adopted a new Recommendation on Bribery and Officially Supported Export Credits in 2019. As described in the Commission's Annual Review, this recommendation contains

> *measures for screening, carrying out due diligence, evaluating and deciding on eligibility for support with the aim of deterring bribery in officially supported export credits. In particular, applicants should verify that all parties involved in transactions are not listed in the debarment lists of the Multilateral Financial Institutions, such as the World Bank, the EBRD, the Asian Development Bank, the Inter-American Development Bank Group and the African Development Bank Group.* (EC 2022a, 9)

According to the Annual Review, EU ECAs 'have largely adopted and implemented this tool as a relevant policy for assessing bribery risk' and they 'report compliance'' (ibid.).

4.3.2 International guidelines and standards in ECA policies

Table 5 offers a brief summary of ECAs' reported efforts to align their policies with international guidelines and standards in the areas of Corporate Governance, Environment and Social Due Diligence, and Bribery. Drawing on Annual Activity Reports and on Sustainability Reports, the table provides an overview of International Agreements and policies with which Member States' ECAs claim to comply with. At the top of the table, there are three main categories, *Corporate Governance Standards, Environment and Social Due Diligence* and *Bribery*. Each category includes several subcategories. Where a Member State explicitly reports adherence to the mentioned category, this is indicated by 'X'. It should be noted that international standards are inter-linked so ECAs may, in practice, adhere to certain standards without explicit reference in their activity reports. The list is thus indicative only.

Environment and Social Due Diligence were merged into one main category, as many policies and agreements intersect with both areas and, therefore, cannot be distinctly assigned to either one of these categories. The subcategory *climate goals* refers to whether relevant climate goals are indicated and referred to in the activity reports. As the table shows, there is substantial variation between EU ECAs and the agreements they comply with.

The subcategory *new tools* refers to the implementation of a new institution or financial product being indicated in the ECA reports. In terms of financial products, this refers either to some form of Green guarantee or loan being offered to facilitate more favourable terms if projects fall within the renewable energy sector. These more favourable terms may include either a prolonged maximum repayment period, more flexible financing of local costs, a higher allowed share of foreign-sourced goods and services or a higher insured share of a project. All of these measures are intended to stimulate growth in the renewable energy sector. An example of a novel approach to the implementation of climate goals is Sweden, where in addition to new financing, a Scientific Climate Council was established with the main focus of detecting the impact of export finance on global GHG emissions. Although this council has an advisory role only, it enables experts with a relevant scientific background to gain insights and discuss projects with regard to impacts on the environment.

The subcategory *sectors excluded* refers to certain sectors for which ECAs do not offer insurance or financing. In most cases, these sectors concern projects related to fossil fuels (most notably coal). However, Austria, for example, also excludes projects involving exports of arms or nuclear power plants. While we should acknowledge that the domestic export structure in every Member State is different, the definition of commonly excluded sectors might also be relevant in the areas of environment and social due diligence.

Table 5. Declaration of commitment by ECA to International Standards, Guidelines and Practices*

	Corporate Governance Standards			Environmental and Social Responsibility							Anti-Bribery Measures		
	OECD MNE Guideline	Equator Principles[19]	IFC Performance Standards [20]	Climate goals [21]	New tools[22]	Poseidon Principles[23]	Sectors excluded[24]	Sustainable Development Goals	United Nations Global Compact	UNGPs[25]	OECD Recommendation on Bribery	Know-Your-Customer	Whistleblowing
AT	X		X	X			X	X	X	X	X	X	X
BE	X		X	X	X			X			X		
CZ				X							X		
DE			X	X	X		X				X		
DK	X	X	X	X	X		X		X	X	X	X	X
EE													
ES								X	X		X		X
FI						X	X			X	X	X	X
FR						X							
HR				X									

[19] Risk management framework for addressing environmental and social risk in project finance.
[20] International Financial Corporation, to assess the risks and impacts relating to the environment and human rights
[21] Reference of international climate goals, notably: Paris Agreement, EU Green Deal, COP26
[22] New (financing) tools introduced, e.g. special conditions for projects mitigating climate risks
[23] Framework to promote international shipping decarbonisation.
[24] Sectors or business areas explicitly excluded from ECA finance
[25] United Nations Guiding Principles on Business and Human Rights

IT			X	X	X	X		X				X	X
LU	X		X	X				X			X		
NL	X				X			X	X				
PL				X									
RO												X	X
SK								X			X		X
SL				X									
SE	X	X		X	X		X	X	X	X	X		X

*Some ECAs adhere to a broader set of standards without explicit reference in the annual activity reports. Specifically, this has been brought to our attention from Slovenia, Romania, Netherlands, Italy, France, Belgium and Poland.

Source: Authors' estimates based on ECA annual activity reports as well as CSR reports (see Annex 1 for sources). No Information could be obtained for Hungary and Portugal Further, Greece, Bulgaria, Cyprus, Ireland, Latvia, Lithuania and Malta did not provide officially supported export credits in the sense of Regulation (EU) No 1233/2011 during the reporting year.

The category *Anti-bribery* Measures includes three sub-categories. Besides adherence to the OECD Recommendation on Bribery, we assess adherence to the Know-Your-Customer (KYC) principle, a measure for a more extensive relationship with all involved parties in order to get a fuller picture of customers and borrowers with whom an ECA cooperates. We also assess compliance with whistleblowing indicators which can reflect the extent to which anonymous whistleblowing channels are implemented. Such channels allow any involved party in a project to file an anonymous report on dubious actions taking place without fear of direct consequences. If practices of a particular party raise cause for concern, for example, bribery, money laundering, or the financing of terrorism, a more comprehensive assessment may be warranted. For an in-depth discussion of anti-bribery practices among ECAs, see Transparency International (2010).

5 Conclusions regarding the alignment of ECAs with union objectives

This in-depth analysis allows us to derive a set of recommendations on ECA policy alignment.[26] In section 3, we identified three approaches in the ECA toolkit for determining how agencies can comply with EU policy objectives. First, ECAs can systematically identify risks. Second, they can opt in or out of financial support and thus both incentivise and disincentivise financing activities on the basis of specific policy goals. Third, ECAs can report information on their risk portfolios and on compliance. The following recommendations for ECA policy alignment are structured on the basis of these approaches.

5.1 Identifying and assessing risks

Alongside the goal of securing a level competitive playing field, risk assessment is at the core of the OECD Common Approaches. While awareness of risk and appropriate mitigation strategies can have an important social and environmental impact, the current approach to risk is case-specific, and more systemic, sector-inherent risks such as those associated with GHGs or loss of biodiversity are not yet comprehensively addressed. These risks are, it should be noted, currently under discussion in the context of the modernization of the OECD Arrangement. Further, a future corporate sustainability due diligence EU directive (CSDDD) may result in a more demanding due diligence process for European ECAs.

A number of areas for potential improvement can be identified. First, in the realm of conventional risk assessment, the enforcement of compliance with ECA-set standards appears to be relatively weakly developed. The OECD Common Approaches state that adherents 'ensure, through appropriate measures and mechanisms, compliance with their policies and procedures pursuant to this Recommendation' (OECD

[26] These are recommendations on the basis of the authors' expertise and study of materials and do not necessarily reflect the position of stakeholders interviewed for this study.

2022c, 12). In a similar vein, the Common Approaches further specify that 'in the case of non-compliance with the conditions of official support, Adherents should take actions that they deem appropriate in order to restore compliance' (ibid., 11). This leaves room for interpretation regarding the kinds of measures and mechanisms to be pursued, under which conditions, and the appropriateness of actions to restore compliance. The Commission's Annual Review interprets this as meaning that 'in case of non-compliance, ECAs can withdraw support or refuse indemnification' (EC 2022a, 5). According to the Review, seven Member States had detected and reported cases of non-compliance to the Commission, most of which are deemed in the Review as being only 'minor', including issues such as missed reporting deadlines. It is, however, debatable to what extent the Annual Review, which is based on general and self-reported information, is equipped with adequate tools to rigorously assess such compliance.

> *Recommendation 1: To provide an effective deterrent for non-compliance and to foster convergence in ECA practices, clearer-cut sanction mechanisms may need to be considered. A European list of offenders which restricts companies from future reapplication for ECA services for a period of time after misconduct may be considered along the lines of what exists, in different forms, in the realm of anti-bribery measures. Such a mechanism would have to be equipped with means of enforcement. In particular, it may be considered whether future eligibility in any European export credit finance system could be tied to an ex-post appraisal of exporter compliance with environmental and social standards. This may also require more active peer monitoring and on-site checks, including peer visits, after the final project commitment.*

While the practice of performing ESIAs to deal with risks has its merits, it is also subject to certain limitations (for a discussion see Wathern 2013). As an OECD Recommendation, the OECD Common Approaches express the common position of the OECD Member States, but, nonetheless, they rest on voluntary compliance and the exercise of peer pressure. It is notable that, irrespective of transaction volumes, EU members currently report very different proportions of projects classed as risk category A or B. Though ECAs publish on their websites all reports and data requested according the Common Approaches and requests for information can be made to ECAs, there is currently little public oversight of ECA screening practices, meaning these practices can rarely be effectively policed by stakeholders outside the Club, whether by national legislatures, researchers or civil society organisations. Generally, Darbellay (2021) advocates for the implementation of national laws to complement non-binding international agreements in order to ensure a stronger protection of human rights and the environment through ECAs.

Compliance with ambitious environmental and social goals requires not only an assessment of risks but demands that decisions over export finance be systematically cast in favour of projects with lower risks (such as those with a lower carbon footprint) and of those that remedy existing environmental problems (such as through reforestation, carbon capture and sequestration or the building of electric infrastructure). The current OECD Arrangement, however, does not hold any provisions which would require specific export finance decisions to be taken on the basis of specific reviews or ESIAs. The financing decision is thus left to the discretion of Member States' ECAs, regulated only by peer pressure exercised within the OECD export credit group. As shown in Table 4, according to our conservative estimate, more than 400 projects of potentially significant risk (category A) were granted export finance during 2017-2021 by EU ECAs.

> *Recommendation 2: To more systematically address climate-related and systemic environmental risks, the approach of ECAs would benefit from an enhanced understanding of risk going beyond a localized, case-by-case assessment approach. The Commission could develop an evidence-based taxonomy of technology-specific export-finance climate risks based on a transparent impact model (such as, e.g. the Joint Impact Model, JIM). Such an approach could provide the basis for a mandatory Climate Risk Assessment in which more demanding due diligence of EU ECAs would be required commensurate with the carbon footprint of activities. To address the risks of carbon-intensive projects, means of mitigation and compensation, including carbon capture and reforestation, could be mandated. This would mean*

that assessment and response practices differ by (sub)sector. Seeking a structured dialogue with science on these matters, including through ECA Scientific Advisory Boards, should be considered a good practice.

In the area of social due diligence and anti-bribery, the Annual Review notes that, while most Member States had a participative consultation process in place and a complaint mechanism for affected communities, this was far from universal, which the Review highlights as an area for improvement. The Export-Import Bank of the United States provides a process for the public to request or submit information regarding a specific project and provides feedback on environmental and social issues. It has a formal timeline for response, allowing timely follow-up, and provides a public registry of received complaints and concerns. It is also possible to request a copy of the ESIA for relevant projects funded by the Export-Import Bank of the United States. Such procedures, in addition to official grievance and whistleblowing mechanisms, particularly ones that are easily accessible on-site, may need to be considered to enhance due diligence and to align it with international standards such as the UNGPs.

5.2 The 'greening' of export finance via sectoral strategies

ECAs promote exports and have generally done so with relatively little consideration of other high-ranking policy goals. Their allocation of financial services is driven by national business interests, and many ECAs still primarily see themselves as financial intermediaries that do not pursue prescriptive agendas. ECAs are, in this sense, different from development banks which offer lending on preferential terms and promote investment in specific sectors and areas. Depending on the Member State, there may be certain reservations within the ECA community regarding stronger state intervention in an area perceived as primarily market-driven.

That said, debates over preferential and sector policies have clearly entered the domain of ECAs against the background that they insure significant volumes of trade and are a potential lever in the sustainability agenda (for a survey of climate and sustainability related practices among OECD ECAs see OECD 2021). There is an ongoing development in the OECD to increase flexibility in terms of preferential treatment of sectors via an amendment of the CCSU expected to take effect in mid-2023. This development revolves around broadening the scope of CCSU activities of and allowing longer tenors and more flexible repayment schedules for these. There is currently no progress in the OECD regarding financing restrictions or surcharges for certain industries and technologies.

Alongside this debate, the self-understanding of ECAs also seems to be in flux. Indicatively, for instance, Denmark's EKF, an important financier of wind turbine exports, refers to itself as 'the world's greenest export credit agency' and remarks positively on the country's ambitious climate policies (see Annex 1 for the source). The Commission's Annual Review finds that some EU ECAs already have developed sector-specific programmes 'for aircraft manufacturing (e.g. Airbus unconditional guarantee) and shipbuilding (official financing). (…). In addition, some ECAs are offering tailored programmes for SMEs or for sustainable projects and more recently COVID-specific schemes'. The approach of promoting sectors is thus not new *per se*.

Unabated Coal-Fired Power is an area where GHG emissions have been addressed by OECD members in the sense that new projects shall not be promoted, although this policy currently fails to address the issue of coal mining. It is worth noting that shortly after the OECD decision on the ultimate prohibition of new coal projects, 'China followed suit with a pledge to stop funding overseas coal projects' (SULLIVAN & CROMWELL LLP 2022). This sets a precedent for how ambitious climate policies may be implemented in the OECD Arrangement through specific agreements. Yet, there is a range of highly emission-intensive projects, still unaddressed, where climate impacts may be less obvious than in the area of energy. For instance, there is ample evidence that the carbon footprint of cement and steel production is globally significant, as is the case for certain agricultural ventures such as cattle farming or the cultivation of rice.

Beyond the coal ban and the CCSU, and with discussions ongoing on the modernization of the OECD Agreement to take a more comprehensive account of climate change, sector policies have so far been left to the initiative of individual EU Member States. According to the Commission's Annual Review, six Member States had climate change policies in place in 2020, and another eight were considering implementing such policies. Such climate change policies included 'restrictions for the most polluting projects and/or incentives schemes for climate-friendly projects and/or an ineligibility for support for unabated coal-fired electricity generation projects' (EC 2022a, 7). While sector bans are important in certain areas and hold the advantage of being straightforward, they are also a relatively selective and crude instrument leaving many risks unaddressed.

> *Recommendation 3: ECAs should consider developing their self-image from pure export promoters to promoters of public economic goods. This would mean a review and harmonisation of portfolios in line with the European Green Deal. From the standpoint of facilitating this transition, the debate needs to focus not only on risks but on the promotion of sector-selective contributions, e.g. environmentally friendly export projects such as renewables and activities contributing to climate mitigation and adaptation. In this context, the Commission should focus on guaranteeing a level playing field within the Union, among other things by assisting ECAs with alignment through support services, technical assistance, modelling and provision of due diligence resources. The EU could consider developing a tool along the lines of KfW DEG's Development Effectiveness Rating (DERa), which measures how companies contribute to advancing the UN '2030 Agenda for Sustainable Development', but setting its own policy objectives as the standard. This could be a step towards greater policy coherence of ECA portfolios. Generally, EU ECAs may follow the leadership of the EBRD's* (2022) *Paris Agreement alignment methodology in developing common standards of responsible financing that transcend the OECD consensus.*

In addition to the ongoing debate on modernising the OECD Arrangement, to allow a stronger promotion of exports in sectors of climate-friendly export finance via terms, tailored support and consulting services provided by ECAs could be a promising venue for increasing compliance with policy goals and actively managing the transition to a carbon-neutral economy. A future EU export credit facility may offer relevant technical assistance, modelling and benchmarking services and tools to Member States' ECAs and exporters. It could assist ECAs with modelling the environmental and social impact of portfolios and offer advice on how to better align practices with policy goals.

Incentivising and disincentivising strategies entail their own risks. As providers of insurance, ECAs seek diversification of their portfolios by spreading commitments across different sectors and regions. As Table 2 showed, those EU Member States for which information is available show a varying degree of sectoral diversification. Some, such as Denmark, are already relatively highly concentrated in renewables such as wind energy. Climate-oriented sector policies, therefore, may or may not be in conflict with diversification, depending on the existing export structure of a country.

> *Recommendation 4: If ECAs are expected to follow sectoral and regional priorities in accordance with overarching EU policy goals, risk diversification may need to be addressed more comprehensively, and compensatory mechanisms to balance risks may be required. A related challenge is that the division of labour between development banks and ECAs may become increasingly blurred if ECAs enter a more policy-prescriptive domain. The novel EU export credit facility, considered as an option in the Commission's Green Deal Industrial Plan, may provide forms of reinsurance of Member States' ECA projects with proven climate and other policy benefits which could guarantee that ECAs continue to fulfil their role as primarily an insurance business and may increase the acceptance of supporting sectoral and regional strategies. Further, such an institution could provide support services, technical assistance and consulting services to exporters and ECAs alike on how to align business portfolios with strategic and sectoral policy goals.*

A concern voiced by ECAs is that they find themselves in international regulatory competition. Export bans raise the question of whether project finance is relocated to other alternative providers, such as China. However, if EU ECAs act jointly as 'Team Europe', their combined regulatory clout should not be underestimated. If practices and standards are coordinated towards a consensus on green export finance, this raises the cost of trade in environmentally unsustainable projects even in the absence of full-scale international regulatory convergence. Further, it could well be argued that aligning businesses with ecological transformation could be considered a boost, rather than a drag, on competitiveness in the long-term.

Generally, incentives take place within the OECD Arrangement philosophy of maintaining a 'level playing field', i.e. of setting standards that prevent a public subsidy race between countries. This still 'places limitations on the terms and conditions of export credits that benefit from official support', including such limitations as 'minimum premium benchmarks, the minimum cash payments to be made at or before the starting point of credit, maximum repayment terms and minimum interest rates which benefit from official financing support' (OECD 2008, 3). The most pressing precondition for strong rule-setting capabilities of the Union, however, is a level *European* playing field, which ensures that regulatory competition between ECAs and states within the EU is kept to a minimum such that pioneers in climate and transparency are not undermined by EU ECAs following less ambitious standards. Placing high priority on internal coherence in this space thus seems advisable.

5.3 Accountability and public disclosure

From the point of view of public interest, there is currently a mismatch between the level of information provided to the public on the allocation of export finance and the significant volumes of economic resources ECAs have at their disposal, as well as the risks involved in terms of environmental and social impact. Publicly available information is particularly lacking when it comes to even the most basic comparable data on European ECAs, such as transaction volumes or transactions by sector and by recipient countries. Transparency is an area with clear room for improvement.

Existing regulation requiring EU ECAs to produce annual activity reports could be further enhanced by mandating stringent reporting standards and common definitions and approaches to ensure better comparability and greater depth of reporting, as well as specific reporting structures and templates, to make both financial and other project information more comparable, especially in relation to policy agendas.

> *Recommendation 5: EU ECA data currently being reported within the OECD Arrangement could be made available in greater detail to the public. For reporting to improve, and in the interest of accountability, public reporting of activities would need to be based on common EU standards. This is an area where the Union could require more structured, standardised and comprehensive sharing of information than is currently practised for the purposes of the Annual Review. As a starting point, the E3F initiative (see Section 4.1.3.1) may serve as an example with respect to standards of reporting on activities related to fossil fuels and renewables. Further, the Task Force on Climate-Related Financial Disclosures established by the G20's Financial Stability Board has developed recommendations for reporting in the space of governance, strategy, management and metrics regarding climate. EU ECAs should adhere to such standards and follow the best practices of carbon accounting.*

Further lessons on transparency can also be learned from the Export-Import Bank (EXIM) of the United States, which publishes basic information on all funded and some pending projects. All firms seeking federal financial assistance from the U.S. Government obtain an active online registration, including the issuance of a Unique Entity Identifier. EXIM provides basic information on all authorizations approved, including a project description, an export product code, the type of finance, the applicant, lender, exporter and borrower, as well as basic financial information[27].

> *Recommendation 6: Even if no consensus in the OECD is reached on matters of greater transparency, the EU may go ahead unilaterally and mandate more ambitious reporting disciplines among its members and including activities done outside the Arrangement. A legal basis could be created for the EU providing a central public database on Member States' ECA activities, including the full spectrum of publicly supported investment and development finance, and their contribution to climate and policy goals. At the minimum, this should provide, at the level of each individual ECA, the financial value of all projects, including those pending, their risk classification, the locations and sectors in which they take place, basic project descriptions and information about involved parties, relevant standards and complaint mechanisms, and the estimated annual GHG production and other impacts such as on biodiversity or the digital transition.*

This recommendation would be aligned with Member States' declared 'willingness to enrich their annual reporting to the Commission pursuant to Annex I of Regulation (EU) No 1233/2011, with a climate-oriented review of their respective officially supported export credit activities, sector by sector according to a commonly agreed methodology', as laid out in the Council Conclusion of 15 March 2022 (Council of EU 2022). Blending and refinancing of a future European Export Credit facility could be contingent upon adherence to ambitious reporting disciplines. Generally, as institutions that are either fully public or at least have a public mandate, ECAs may follow more strongly the leadership of bilateral and multilateral development banks and other public finance institutions in adhering to public transparency standards and consistent reporting disciplines towards public stakeholders (for further discussion of potential transparency improvements for ECAs see Görlach, Knigge, and Schaper 2007).

[27] This information is available online at: https://catalog.data.gov/organization/exim-gov

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Annex

Annex 1. ECA activity reports: bibliographic information (URLs)

AT	2021	https://www.oekb.at/dam/jcr:7ec31792-3a48-4670-aace-f3ac7376ea94/OeKB-Financial-Report-2021.pdf
	2020	https://www.oekb.at/dam/jcr:406c74f6-0052-4828-8563-8c93741901ad/OeKB-Financial-Report-2020.pdf
	2017	https://www.oekb.at/dam/jcr:479c0295-3d6b-4749-b0f1-bf3cb0612210/OeKB-Financial-Report-2017.pdf
	CSR	https://www.oekb.at/en/export-services/about-oekb-export-services/environmental-and-social-aspects/projects-after-commitment.html
BE	2021	https://credendo.com/sites/default/files/media/files/2022-06/220623_CREDENDO%20RA2021%20complet.pdf
	2018	https://credendo.com/sites/default/files/media/files/2021-03/annualreport2018.pdf
	CSR	https://credendo.com/sites/default/files/media/files/2021-03/corporate_social_responsibility_2018-2020_en_0.pdf
HR	2021	https://www.hbor.hr/wp-content/uploads/2022/04/ENG-HBOR-Revidirani-GFI-za-2021_signed.pdf
	2017	https://www.hbor.hr/wp-content/uploads/2018/05/Financial-statements-2017.pdf
CZ (CEB)	2021	https://www.ceb.cz/_sys_/FileStorage/download/4/3881/vz_en_2021.pdf
	2017	https://www.ceb.cz/_sys_/FileStorage/download/3/2314/vz_en_17_fin_cd.pdf
CZ (EGAP)	2021	https://www.egap.cz/en/file/618/download?token=S0tAxHF1
	2017	https://www.egap.cz/en/file/637/download?token=Xy2j8snm
DE	2021	https://www.exportkreditgarantien.de/_Resources/Persistent/6/2/8/6/6286b4c148eb19c311cd1e555b93a385f1764d65/jb-2021-e.pdf
DK	2021	https://ekf.dk/media/vltmxn2p/ekf-annual-report-2021-final.pdf?v=638144760748769664
	2020	https://ekf.dk/media/auejfd1u/annual-report-2020.pdf?v=638144760748925925
EE	2021	https://kredex.ee/sites/default/files/2022-05/KredEx_2021_annual%20report.pdf
	2017	https://kredex.ee/sites/default/files/2019-03/KredEx_Annual_Report_2017.pdf
ES	2021	https://www.cesce.es/documents/20122/8977900/Informe+de+Actividades_Cesce_2021_en.pdf/73248335-69b4-46ec-0a28-694fa8d58092?t=1656673573104
FI	2021	https://www.finnvera.fi/eng/file-download/download/public/6092
	2017	https://annualreport2017.finnvera.fi/en/frontpage.html
FR	2021	https://www.slideshare.net/Bpifrance/panorama-2021-engpdf
	2020	https://www.bpifrance.com/storage/sites/7/2022/03/PANORAMA-2020_EN_VDEF-1.pdf
IT	2021	https://www.sace.it/docs/default-source/gruppo-in-cifre/2021/sace_annual-review_2021_web.pdf?sfvrsn=897f2ab9_4
	2017	https://www.sace.it/docs/default-source/gruppo-in-cifre/2017/2017-annual-report.pdf?sfvrsn=9ae109be_16
LU	2021	https://odl.lu/wp-content/uploads/2022/09/ODL_RapportAnnuel_2021_FINAL_BD.pdf
	2017	https://odl.lu/wp-content/uploads/2019/01/Rapport_Annuel_17_version_web-1.pdf
NL	2021	https://group.atradius.com/documents/atradius-annual-report-2021.pdf
	2017	https://group.atradius.com/documents/atradius_annual_report_2017_arnv1701.pdf
PL	2021	https://api.kuke.pl/file/stream/f4bf4a30-e260-11ec-a05f-00abcd082070
	2017	https://api.kuke.pl/file/stream/b63497c8-beea-11eb-998b-00abcd082070
RO	2021	https://www.banca-romaneasca.ro/&files/annual-report-2021.pdf
	2018	https://www.eximbank.ro/wp-content/uploads/2022/11/Annual-Report-2018.pdf
SE (EKN)	2021	https://www.ekn.se/globalassets/dokument/rapporter/arsredovisningar/en/ekn_annual_report_2021.pdf/
	2017	https://www.ekn.se/globalassets/dokument/rapporter/arsredovisningar/en/ekn-annual-report-2017.pdf/
SE (SEK)	2021	https://www.sek.se/app/uploads/2022/05/Annual-and-sustainability-report-2021.pdf
	2017	https://www.sek.se/app/uploads/2020/02/Annual_report_2017.pdf
SI	2021	https://www.sid.si/sites/www.sid.si/files/documents/annual_report_of_sid_bank_2021.pdf
	2017	https://www.sid.si/sites/www.sid.si/files/documents/sid_bank_annual_report_2017.pdf
SK	2021	https://www.eximbanka.sk/buxus/docs/Vyrocne_spravy/VS_za_rok_2020/EB_VS_2020.pdf
	2017	https://www.eximbanka.sk/buxus/docs/dokumenty/VS-AR_2017_preview_version_LR.pdf

Annex 2. Annual Reviews by the Commission for respective calendar years (URLs)

2012	https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014DC0123&qid=1685019657819
2013	https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52015DC0130&rid=1
2014	https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52017DC0067&qid=1674469260881&from=EN
2015	https://www.europarl.europa.eu/RegData/docs_autres_institutions/commission_europeenne/com/2018/0262/COM_COM(2018)0262_EN.pdf
2016	https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52018DC0305&qid=1674469260881&from=EN
2017	https://op.europa.eu/en/publication-detail/-/publication/6b9bcc7a-d56f-11ea-adf7-01aa75ed71a1/language-en
2018	https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0349&qid=1674469260881&from=EN
2019	https://eur-lex.europa.eu/resource.html?uri=cellar:df7560d2-e553-11eb-a1a5-01aa75ed71a1.0008.02/DOC_1&format=PDF
2020	https://eur-lex.europa.eu/resource.html?uri=cellar:e7fa26ba-ab65-11ec-83e1-01aa75ed71a1.0018.02/DOC_1&format=PDF

Annex 3. Sample of organisations with whom background interviews were conducted

	Stakeholder group	Headquarters
1	Academic	Germany
2	Academic	Germany
3	Human rights/environmental CSO	Italy
4	Human rights/environmental CSO	Sweden
5	ECA	Austria
6	ECA	Austria
7	European Commission	Brussels
8	Labour union organisation	Austria
9	Public administration	Austria
10	Public administration	Austria
11	OECD	Paris

Annex 4. List of ECAs in the EU

Country	ECA name(s)
AT	OeKB
BE	CREDENDO
HR	HBOR
CZ	CEB, EGAP
DE	Euler Hermes
DK	EKF
EE	KREDEX
ES	CESCE
FI	FINNVERA
FR	BPIFrance
GR	ECIO
HU	EXIMBANK and Mehib
IT	SACE, SIMEST
LU	ODL
NL	Atradius
PL	KUKE
PO	COSEC
RO	EximBank Romania
SE	EKN, SEK
SI	SID
SK	Eximbank SR

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PDF ISBN 978-92-848-1790-0 | doi: 10.2861/148804 | QA-05-24-307-EN-N