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Participation, transparency, and information disclosure in export credit agencies' lending practices

The paper will be based on the results of a project commissioned by the German development agency GTZ.¹ The aim of the project is to give a survey of environmental and social standards in the lending practices of export credit agencies (ECAs). In doing this, the main focus of the survey was on large dam projects supported with export credits, in order to find out to what extent the recommendations set forth by the World Commission on Dams were taken up in the decision whether or not to grant export credit coverage to a dam project. Based on case studies and expert interviews in 8 OECD member countries, the study placed particular relevance to the following topics:

- *transparency and information*
- *environmental and social impact assessments*
- *Definition and integration of environmental and social standards*
- *Public participation*
- *Public participation in the recipient*

The study concludes that approaches of ECAs regarding information disclosure have been markedly different. Much concern for business confidentiality in Europe, more proactive approaches in Northern America, Japan, Australia, which are supported by arguments that NGOs find out about critical projects sooner or later anyway. Thus, proactive information dissemination can be in the own best interest of ECAs. The latest agreement on a revision of the OECD Common Approaches has brought a move towards more transparency. Yet, practical impact remains to be seen.

Public participation is common practice in many ECAs, especially in the process of developing social and environmental guidelines. In many cases, participation is by now a well-established routine with ongoing exchange between ECAs' environmental practitioners and NGOs. However, participation tends to be less self-understood and institutionalised in some European ECAs.

A worrying trend is the practice of slicing up large projects into smaller units, in order to deliver the project components below the threshold level where impact assessments. Could be circumvented if the decision whether or not to support a request for coverage would be based on an assessment of the entire project that is supported, and not only on the portion for which coverage is applied for.

¹ The final report of the project can be downloaded from http://www.ecologic.de/download/projekte/1800-1849/1809/1809wcd_ecas_en.pdf