

Officially supported export credits: application of certain guidelines

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In accordance with Regulation (EU) No 1233/2011, the Commission presented its annual review of Member States' annual activity reports on export credits. The present annual review covers the calendar year 2016.

In its report, the Commission has taken note of the recommendations made in the [resolution](#) adopted by the European Parliament on 2 July 2013 on the first reporting exercise under Regulation (EU) No 1233/2011.

General and financial information: the annual review is based on **annual activity reports received from 21 Member States** which were running export credit programmes within the meaning of the Regulation in 2016.

Although most European governments have established an Export Credit Agency (ECA), the scope and nature of export credit programmes and the organisational structures of ECAs differ between Member States. Overall, however, there has been **increased convergence** in recent years as the OECD arrangement on officially supported export credits has come to cover a wide range of issues.

In general, Member States have expanded their range of export credit programmes in recent years. However, the most common form of export credit support granted by a European ECA falls under the **'pure cover'** category (i.e. the export transaction in question is financed by a commercial bank, for which the ECA provides a guarantee or insurance-type cover). The comparison of the **aggregate nominal risk exposure as for the end of 2016** provides at least a general idea of the size of the biggest 'pure cover' type export credit schemes (in EUR billion):

- **Germany: 89.7**
- **France : 68.7**
- **Sweden: 35.7**
- **Italy: 26.1**
- **Netherlands: 23.9**

Many European ECAs also offer products such as short term export credits, letter of credit guarantees, manufacturing risk guarantees and investment insurance products. It should also be noted that several Member States have developed sector-specific export credit products for (for example) aircraft manufacturing and shipbuilding.

Taking account of 'environmental risks': environmental risks receive **increasing attention** from Member States and play an important role in the determination of whether export credit support will be provided or not. Member States have thus developed internal processes to evaluate the risks in question. In general, Member States have given a **broad interpretation** of environmental risks and other relevant risks.

Many Member States refer in particular to the procedures contained in the OECD Recommendation on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence which have gained acceptance and normative force even beyond OECD membership.

However, in a recent trend, many Member States also **look beyond the Common Approaches** and have begun to benchmark against other international standards in addition to the Common Approaches such as the World Bank Safeguard Policies, the United Nations Guiding Principles on Business and Human Rights, and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work.

Another recent trend is the inclusion of climate change initiatives in this context.

The 21 Annual Activity Reports also show that Member States have developed export credit policies more generally relating to the **environment, anti-bribery and sustainable lending to low income countries**.

Moreover, Member States increasingly cite additional policy objectives or considerations which complement those enshrined in the Common Approaches. Examples include gender, social sustainability and preventing tax evasion.

ECAs' compliance with EU objectives and obligations: the European Commission took note based on the information provided that Member States with export credit activities in the sense of Regulation (EU) No 1233/2011 have established policies to accompany the management of their export credit programmes that are **in line** with the EU's objectives.

In response to the European Parliament resolution of July 2013, the Commission issued a recommendation to use in particular the work of international monitoring institutions (including the United Nations) as guidance in further policy development. Member States' reports already use these international reference instruments to varying degrees and the Commission recommends further work in this direction.

As regards compliance with international obligations and obligations under EU competition law, there have been **no disputes** at WTO level involving European export credit programmes during 2016.