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PUBLIC ACCESS TO ENVIRONMENTAL INFORMATION: European ECAs under pressure to open up

The deadline for a new ground-breaking EU Directive stating that member states must transpose new rules on public access to environmental information into national legislation expires next Monday, on 14 February 2005.

There will be a simultaneous pan-European request on the same day for export credit agencies (ECAs) to disclose specific information in ten different countries, namely the UK, Netherlands, France, Belgium, Germany, Portugal, Spain, Italy, Finland and Austria. Member organisations of the European ECA Reform Campaign will ask their national ECAs to disclose information on how they integrate environmental concerns into their financing decisions. The campaign expects to find an unlevel playing field among European ECAs with respect to assessing the expected environmental impacts of the projects they underwrite.

FERN, the organisation co-ordinating this action, welcomes the new Directive, which will place binding obligations on European export credit agencies to disclose information about the environmental impacts of their financing. Since 1996 an international coalition of NGOs has been campaigning to reform export credit agencies and this legislative step is a milestone in their bid for greater transparency.

Most of the developing world's large-scale construction projects are funded by the investment of public money through ECAs. While many of these projects have a damaging environmental impact and lead to social disruption, displacement of people and human rights violations there remains an almost complete lack of public disclosure about them.

Although operating with taxpayers' money, ECAs are notoriously opaque institutions and in the past it has been almost impossible to find out anything about their operations or specific projects they financed. An almost total lack of transparency in ECA decision-making, assessing environmental impacts and screening of financial commitments has effectively hidden many deals from public scrutiny. This lack of information has been a crucial bottleneck for environmental reform and has seriously hampered the efforts of NGOs.

Like the World Bank 20 years ago, most ECAs have no binding environmental or social guidelines. Export credit funding supports countless highly destructive and risky operations - from pulp and paper mills to nuclear power plants, and from mines to oil pipelines and large dams - that often have devastating impacts on people's health, their environment or their local economy. FERN believes that transparency is the first step to reform and hopes this legislative step will not only shed light on ECA activities but prevent secretive spending of public money on disastrous projects that secure profits for exporting companies in Europe while devastating local communities' livelihoods in recipient countries.

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Editors Notes:

1. Export credit agencies and investment insurance agencies – ECAs - provide government-backed loans, guarantees and insurance to corporations seeking business opportunities in developing countries or emerging markets that are considered too risky (commercially or politically) for conventional corporate financing. ECAs are mostly national, public or publicly mandated agencies that usually support companies from their home country. Most ECAs don't take into consideration the impacts of the projects they support on the environment or the rights of local peoples, undermining their governments' commitments to sustainable development.
2. The European ECA Reform Campaign brings together a coalition of organisations including Bern Declaration (Switzerland), Both ENDS (The Netherlands), The Corner House (UK), ECA-Watch Austria, FERN (EU), Finnish ECA Reform Campaign, Iberian ECA Reform Campaign (Spain and Portugal), Les Amis de la Terre (France), Proyecto Gato (Belgium), Reform the World Bank Campaign (Italy), Swedish Society for the Conservation of Nature, Urgewald (Germany) and WEED (Germany).
3. The new Directive on public access to environmental information (2003/4/EC) – implementing the first pillar of the Aarhus Convention – requires public authorities (including ECAs) in EU Member States to share information related to the environment with the public. The new legislation entered into force on 14 February 2003 and must be transposed into national law by 14 February 2005.