

Briefing Note

06

Bankrolling Climate Change: Why it is time to end Hermes Flights of Fancy

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The European Commission has recognised climate change as ‘one of the greatest environmental, social and economic threats facing the planet’,¹ yet orders for European-made Airbus planes are booming. French President Nicolas Sarkozy’s trip to China in November 2007 alone brought in additional orders worth more than €20 billion. According to press reports, Sarkozy used the meetings with Chinese leaders to discuss both business and the battle against climate change.² This is a contradiction that underlines a modern-day phenomenon; while the threat of climate change and the urgent need for action become ever clearer, at the same time, air transport and other polluting industries are expanding on a massive scale. Even supposed green pioneers such as Germany are supporting the trade –Airbus is among the biggest recipients of German export aid through guarantees from Germany’s Export Credit Agency Euler Hermes AG. This report focuses on these contradictions and looks for a way out of a system that speaks of concern about climate change whilst funding some of its biggest causes.

Export Credit Agencies (ECAs) are governmental or quasi-governmental departments that use taxpayers’ money to help companies invest and export overseas. ECAs typically provide financial backing in the form of guarantees, insurance or direct loans. Their purpose is to protect companies against the commercial and political risks of not being paid while operating abroad. ECAs underwrite 10 per cent of global exports from large industrial countries. The European ECA Reform Campaign works to achieve binding environmental, social and human rights guidelines for ECAs.



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Introduction

Hermes guarantees are one of the cornerstones of German exports as they protect German exporters against the risk of emerging markets and developing countries not paying for delivered goods. Worth an annual €15 to €20 billion in guarantees, Hermes is a global leader in export credit insurance and handles guarantees on behalf of Germany's government. An inter-ministerial committee made up of members from the ministries of economics, finance, development and foreign affairs decides who receives a guarantee.

Hermes export credits and guarantees, as similar insurance schemes from other countries, have for years attracted criticism for their promotion of destructive large-scale projects such as dams, nuclear power stations, oil pipelines, pulp mills and arms deals. They have also been criticised for their role in contributing to debt in developing countries.

A snapshot of Hermes's main beneficiaries shows this government-backed insurance scheme benefits mainly large corporations making deals abroad. Airbus is the top recipient. The aircraft giant received 11 per cent of guarantees for individual cover from 2002 to 2006. It's a worrying trend from an environmental perspective - Hermes-backed Airbus orders are estimated to result in an extra 800 million tonnes of CO₂ emissions. Germany's overall CO₂ emissions in 2007 totalled 857 million tonnes.³

Germany's federal government currently sees no need to adjust its export credit guarantees in a way that takes into account climate change. It assesses neither aircraft nor ship exports for their effect on the environment. This position may have to change soon. In a recent resolution on trade and climate change, the European Parliament called on all EU governments to propose legislative instruments that would force export credit agencies such as Hermes, to "take account of the climate change implications of the funded projects" and to "impose a moratorium on funding until sufficient data are available".⁴

If Germany wants to stay at the forefront of the EU's fight against climate change it must evaluate and start harmonising its export promotion scheme with its climate protection objectives.

What are Hermes Guarantees?

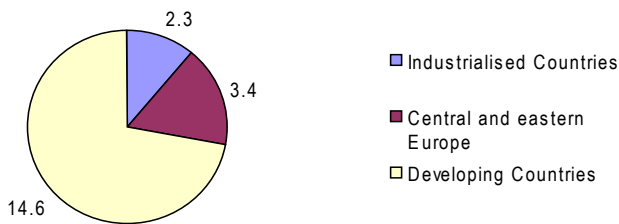
State export credit guarantees known as Hermes guarantees are a central tool in Germany's export promotion. Hermes guarantees cover high-risk deals that private insurers reject in highly indebted countries or in politically unstable regions, protecting exporters against financial and political risk in return for a premium. If an international business partner defaults on his financial obligations, be it because of war, revolution, embargos, currency shortage or because the project is not financially viable, the German state – or rather, the German tax payer – steps in to pay the German exporter's outstanding bills.

Hermes guarantees are awarded to projects on the basis of their business merit and risk level. Theoretically they are also awarded on the basis of furthering global and sustainable development. This means that according to German environmental guidelines on export credit guarantees,⁵ an application has to be assessed with broad environmental considerations in mind: "It is the aim of the federal government not to back projects that will have a serious negative impact on an environmental, social or developmental level."⁶ Yet Hermes environmental guidelines exclude transport-related export projects (such as exports of aircraft, ships and lorries) from their evaluation process. This exclusion is based on Hermes's assertion that the environmental impacts of such projects are sufficiently well known and need no further scrutiny.⁷

Volume, content and target countries

In 2006, the Federal Republic of Germany handed out export credit guarantees worth a total liability of €20.3 billion, making Germany the world's second largest export credit guarantor. Export credit guarantees covered 2.3 per cent of Germany's total export value of €893.6 billion.

Industrialised nations received about 11.3 per cent of Hermes credits worth €2.3 billion (see Figure 1).⁸ Central and Eastern European countries received 16.8 per cent of Hermes guarantees worth €3.4 billion. As in previous years, the biggest cut of guarantees – 71.9 per cent, worth €14.6 billion – went to developing and emerging countries.

Figure 1: Hermes covered exports by region (2006)

All figures in billions of Euros

Source: 2006 report on export credit guarantees by the German Federal Republic

Germany thus gave out almost twice as much money to developing countries in export guarantees in 2006 than it gave in Overseas Development Assistance (ODA) payments, worth €8.3 billion⁹ in 2006. This comparison gives some indication of the influence that Hermes guarantees have on the economic development of Southern countries.

Publicly disclosed Hermes guarantees: Top 10 beneficiaries

Data on 586 projects is publicly available on 586 projects for the time spanning October 2001 to June 2007. Of these, 18 do not specify the exporting company but our research has revealed four of them. In three cases the recipient was Siemens, and in one, it was Airbus.

Our calculations based on the limited data available shows that ten companies account for almost three quarters of all Hermes-backed projects. The guaranteed contract volumes of these 'top 10' companies were worth between 72 and 74 per cent of all Hermes guarantees, depending on the calculation method used.¹⁴

The top three recipients of Hermes guarantees are Aircraft builder Airbus, a daughter company of the European Aeronautic Defence and Space Company (EADS); multinational Siemens, and Holding SMS, a machinery and plant construction group. These three companies alone account for 57 per cent of published Hermes-backed projects, making up between 46 and 50 per cent of published contract values.

The biggest beneficiary by far is Airbus whose 189 export guarantees account for almost a third of all projects backed. The guaranteed contract volume is broadly estimated to be worth between €2.3 billion and €7.3 billion, the least precise of estimates.¹⁵

The need for transparency

The fact that export promotion is shrouded in secrecy makes it almost impossible to draw up an exact list of main beneficiaries and their share of total Hermes guarantees. Germany lags far behind its international partners in the field of transparency on export credit guarantees: Australia, the UK, France, Japan and the US give far broader access to information about projects they cover. The absence of mandatory reporting of projects that have been awarded an export guarantee in Germany remains a fundamental barrier to transparency. Germany's Economics Ministry even denies parliamentarians access to the exact figures that would reveal which firms received the biggest allocations of Hermes guarantees.¹⁰

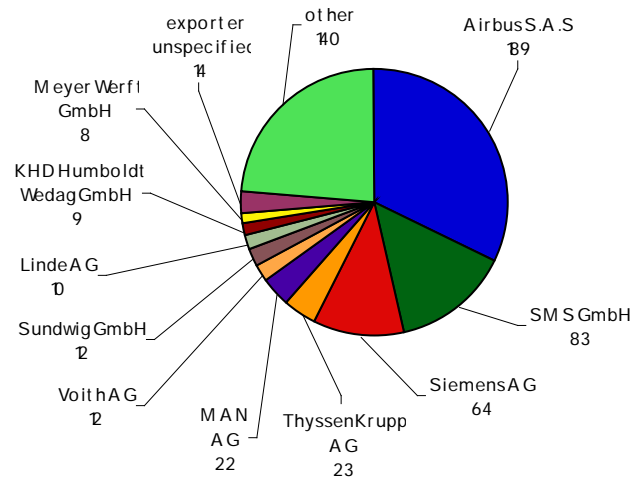
Since October 2001, Hermes publishes project information about guarantees on the website of Germany's Foreign Trade and Investment Promotion Scheme (AuslandsGeschäftsAbsicherung).¹¹ While this is a step forward, publication is uneven and only broad contract value categories¹² are given, rather than precise sums for individual transactions – an unusual practice compared to other European countries.¹³ Category 5, which refers to projects worth more than €200 million (see below) is particularly problematic since it specifies no upper limit.

Moreover, in accordance with German business confidentiality protection, project data is published only with approval by the exporter or the bank financing the project. According to a response to a Parliamentary question put to the German government on 12 March 2003 (Bundestagsdrucksache 15/546),¹³ only 62% of guarantee recipients agreed to publication of data.

It is urgent that the greenhouse gas (GHG) emissions caused by Hermes guarantees are reported if the public is to be able to analyse the impacts of Hermes' portfolio on climate change. This will also allow the German government to start harmonising their climate protection objectives with their export credit financing.

Figure 2: Top 10 Hermes recipients by number of confirmed and published projects. October 2001 to June 2007

Hermes Top 10 by number of projects (n=586)



The SMS group approved the publication of 83 projects for which Hermes cover was worth between €2.7 and €6.4 billion.

Siemens has 64 published projects, mainly in the telecommunications (24) and power plant sector (18), the value of which will lie between €3.8 and €6.5 billion, a more precise estimate than for the other two companies.¹⁶

Positions 4 to 10 are held by the following companies, in alphabetical order: energy and transport company Alstom; construction and services firm Bilfinger Berger; KHD Humboldt Wedag, which builds machinery and plants in the cement and minerals processing sector; energy company Linde; vehicle and machinery manufacturer MAN; the Mayer Werft shipyard; plant construction company Sundwig, steel giant ThysenKrupp and machine construction firm Voith. Linde, MAN, Meyer Werft, ThysenKrupp and Voith reach the Top 10 for all calculation methods and therefore occupy positions 4 to 8. The five companies collectively received guarantees for 75 projects worth 18 to 23 per cent of total Hermes contract values. Alstom and Sundwig received two guarantees each, while Bilfinger Berger and KHD Humboldt Wedag received one each.

As an example of how guarantees are used, Voith's 12 guarantees are concentrated on projects in the paper industry. Of nine guaranteed export projects in the paper sector, seven went to China, one to Thailand and one to South Africa. These projects make up 84 to 91 per cent of the company's contracts, worth between €505 and €950 million. The remaining guaranteed contracts went to Voith Siemens Hydro Power Generation, in which Siemens has a 35 per cent stake.

Table 1: Top 10 Hermes recipients by number of confirmed and published projects, October 2001 to June 2007

Position	Company	Number of projects
1	Airbus S.A.S.	189
2	SMS GmbH	83
3	Siemens AG	64
4	ThysenKrupp AG	23
5	MAN AG	22
6	Voith AG	12
6	Sundwig GmbH	12
8	Linde AG	10
9	KHD Humboldt Wedag GmbH	9
10	Meyer Werft GmbH	8
	Exporter not specified	14
	Others	140
	Total	586
	Top 3 recipients as % of total	57 %
	Top 10 recipients as % of total	74 %

Meyer Werft is noticeable for the size of its individual export credit guarantees. Of eight guarantees, six are for category 5 projects and are in the luxury cruise liner sector. The two remaining guarantees were for category 3 passenger ferry projects.

To conclude, it's worth noting that half of all published Hermes guarantees go to the top three beneficiaries Siemens, Airbus and SMS, both in terms of number of contracts and in terms of contract value. Three quarters of all Hermes credits go to only 10 companies. Lack of detailed data however means that this analysis contains an element of uncertainty (see text box on 'insufficient transparency').

Hermes guarantees and climate change through transport-related export aid

Two of the Top 10 Hermes beneficiaries – aircraft maker Airbus and ship yard Meyer Werft – are active exclusively in the production and export of transport. Since CO₂ emissions are rising most rapidly in the transport sector, this chapter will examine these exports in detail. The third UN report on climate change¹⁷ states that “transport was responsible for 23 per cent of world energy-related GHG emissions in 2004 [...]. Over the past decade, transport's GHG emissions have increased at a faster rate than any other energy using sector. Unless there is a major shift away from current patterns of energy use, world transport energy use is projected to increase at the rate of about 2 per cent per year [...] and total transport energy use and carbon emissions is projected to be about 80 per cent higher than current levels by 2030.”

The battle against global warming and the effects of climate change are the biggest environmental and political challenge facing mankind today. For this reason European national leaders meeting at an EU summit on 22 and 23 March 2005 vowed to keep the rise in temperatures to two degrees compared to pre-industrial levels. For there to be only a 50 per cent chance of keeping global warming to within 2 degrees, CO₂ levels must be stabilised at below 450 parts per million (ppmv), according to the findings of a March 2005 Council of EU environment ministers.¹⁸ For CO₂ levels to remain below 450 ppmv, global GHG must reach their peak within two decades and then fall by up to 50 per cent worldwide by 2050, compared to 1990 levels.

The global nature of climate change and the significance of exports for the German economy mean Germany must be responsible not only for reducing emissions within its own borders, but also for considering environmental sustainability and opportunities for climate protection and CO₂ reduction when managing its exports. The German government has made a first step in this direction with its Export Initiative for Renewable Energy launched in June 2002, but that is not enough. Germany's entire export promotion policy, including export credit guarantees, must be structured around a reduction of GHG emissions. Yet so far, Hermes' environmental guidelines pay no attention to the question of CO₂ emissions of guaranteed projects. As previously mentioned, Hermes treats transport exports (such as aircraft, ships and lorries) as fundamentally not worth assessing for their environmental impact.¹⁹

The US shows that other approaches are possible. The environmental guidelines of US export credit agency Ex-Im Bank (Export-Import Bank of the United States, Environmental Procedures and Guidelines) require – at least in the energy sector – that estimated yearly CO₂ emissions of guaranteed projects be logged and published in its annual report.²⁰ The US Overseas Private Investment Corporation (OPIC), another export credit insurance agency, announced in June 2007 it would cut CO₂ emissions of backed projects by 20 per cent within the next ten years.²¹

Table 2: Number and percentage of Airbus sales backed by Hermes guarantees, 1992 - 2006

Year	Guaranteed Airbuses, according to annual report	Internet	Annual report	Total Airbus exports according to annual report	Hermes support
1992-2001	470	-	-	-	-
2002	58	21	36%	303	19.1%
2003	47	13	28%	305	15.4%
2004	68	31	46%	320	21.3%
2005	75	55	73%	378	19.8%
2006	60	54	90%	434	13.8%

Sources: Annual reports 2001 - 2006, published project data on website of German Foreign Trade and Investment Promotion Scheme

Aircraft export promotion through Hermes guarantees

Air traffic is a significant element in global climate change: it is the fastest growing mode of transport;²² GHG emissions through air transport have already risen sharply, and there is no foreseeable end to this trend. The increase in emissions in this sector cancels out a notable part of efforts to reduce emissions in other sectors. In the long term this is not compatible with CO2 targets: If growth rates continue as they are, the EU25's aviation sector alone would be responsible for 80 per cent of CO2 emissions permissible under a 450 ppmv regime by 2050.²³

Table 3: Hermes guarantees for Airbus, in millions of euros, and as percentage of total guarantees, 2002 to first two quarters of 2007

Year	Total guarantees	Guarantees for aircraft	Aircraft guarantees as % of total guarantees
1992	13,829	275	2%
1993	11,395	1,035	9.1%
1994	11,081	1,216	11%
1995	10,736	1,394	13%
1996	11,228	660	5.9%
1997	10,939	633	5.8%
1998	7,842	662	8.4%
1999	6,154	1,209	19.6%
2000	10,343	2,126	20.6%
2001	7,441	1,549	20.8%
2002	7,943	1,156	14.6%
2003	7,699	764	9.9%
2004	11,917	1,279	10.7%
2005	12,142	1,676	13.8%
2006	12,774	932	7.3%
1Q, 2Q 2007	4,100	410	10%
1992-2006	153,463	16,566	10.8%
2002-2006	52,475	5,807	11%

Sources: Annual reports 1997 – 2006, Half year report 2007

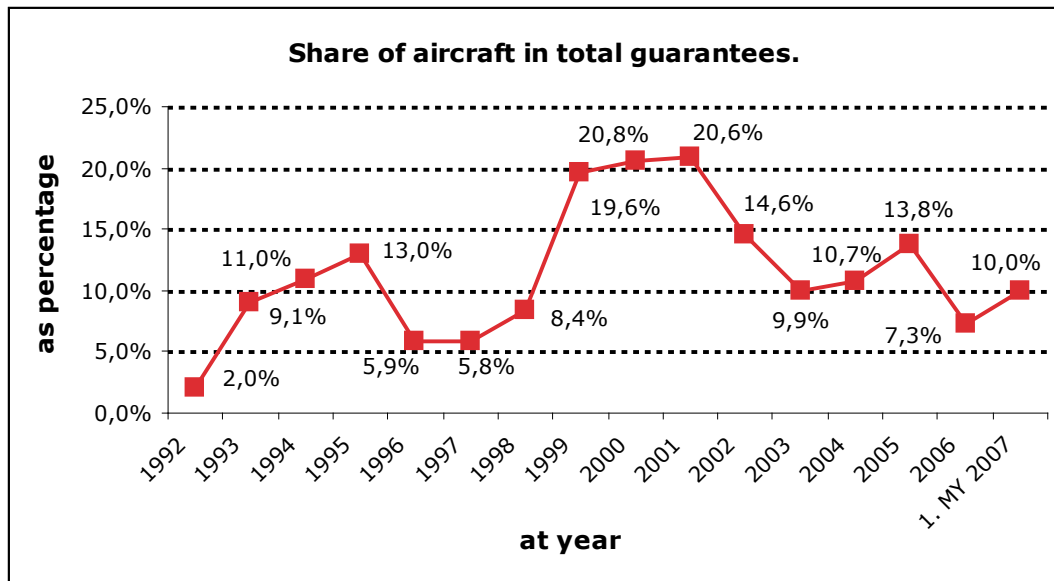
No other company has received more (published) Hermes guarantees since October 2001 than aircraft builder Airbus SAS. Hermes and fellow ECAs Coface in France and ECGD in the UK could be known as 'Airbus Bank' – just as US export credit agency Ex-Im Bank is often called 'Boeing Bank'. The volume of covered aircraft exports are listed explicitly in the annual reports of Germany's export credit guarantees,²⁴ making it possible to compare them with published Hermes guarantees. According to annual reports, 778 guarantees were given to Airbus between 1992 and 2006, 308 of these since 2002. Yet the website lists just 174 Hermes guarantees for Airbus between 2002 and 2006 – just more than half of the actual covers. A comparison between these figures and data on total Airbus exports from 2002 to 2006 shows that almost one fifth (17 per cent) of all exports were guaranteed by Hermes (see Table 4).

Guaranteed orders for the 778 aircraft backed between 1992 and 2006 amount to €16.6 billion according to Hermes annual reports (see Table 3). That's almost 11 per cent of all guarantees awarded during these 15 years, worth a total €153.5 billion. And the number of guarantees for Airbus as a percentage of total Hermes guarantees has been rising since 1992 (see Figure 3). The proportion of guarantees going to Airbus was particularly high between 1999 and 2001 (20 per cent of all guarantees). A decrease in 2006 is due to the two-year delay in the completion – and guarantee applications - of the Airbus A380. Growing air traffic and the enormous cost of A380s means that Hermes is likely to back even more Airbuses in the future (see Berne Union Yearbook 2007).

Table 4: Number and percentage of Airbus sales backed by Hermes guarantees, 1992 - 2006

Aircraft	Number	Yearly CO2 emissions per plane	Total yearly CO2 emissions	CO2 emissions over 30 year life expectancy
A320 family	392	20.2	7,918.4	237,552
A330 family	165	63.9	10,543.5	316,305
A340 family	63	123.7	7,793.1	233,793
Total	620		26,255.5	787,650

Figure 3: Hermes guarantees for Airbus as share of total individual guarantees



Sources: Annual reports 1997 – 2006; Half year report 2007

Estimated CO2 emissions of Airbus exports, and cost of emissions

A parliamentary question to the German government about aircraft export promotion through Hermes guarantees provides further data on estimated CO2 emissions resulting from Airbus deals. This data shows Hermes guarantees for 620 Airbus planes in the past 10 years (1997 to 2006). They break down as follows (see Table 4): 392 planes of the A320 group ; 165 A330 planes; 63 A340 planes. A report published in 2005 by the European Commission's Directorate General Environment estimates that annual CO2 emissions of these three Airbus categories lie between 20.2 to 123.7 thousand tonnes. Taking into account the 30-year life expectancy of these planes, as estimated by Airbus, this means that the 620 planes guaranteed in the past 10 years will emit a total of 788 million tonnes of CO2 - almost as much as Germany's total CO2 emissions in 2007 at 857 million tonnes. The Stern Report, drawn up by former World Bank chief economist and current head of the UK government's economic service Nicholas Stern, calculates costs resulting from CO2 emissions at US\$85 per tonne. According to this calculation, Germany's export credit guarantees for 620 Airbus exports will be responsible for social and environmental costs amounting to about US\$67 billion. That's more than five times Germany's 2007 Official Development Assistance, which reached about US\$12.3 billion.

Export credit guarantees in shipping

Albeit much less known than aviation, international shipping is today one of the main emitters of environmentally damaging CO2. According to studies conducted by the German Aerospace Center's Institute of Atmospheric Physics and the US University of Delaware, the sector's emissions are in the same ballpark as those caused by aviation. According to these studies, 800 million tonnes or 2.7 per cent of all anthropogenic CO2 emissions came from ship motors in 2000. The engineering firm Lohmeyer has calculated that CO2 emissions of one single cruise liner are equivalent to that of about 7,000 passenger vehicles. Add to this nitric oxide and fine particulate matter emissions, which are equivalent to those of 45,000 to 50,000 passenger vehicles. A ten-day trip on the German cruise liner Aida represents per-passenger CO2 emissions of 2.3 tonnes – more than the amount emitted by driving a middle range car for an entire year (12,000 km pumps about 2 tonnes CO2 into the air) .

Like the aviation industry, the ship building sector is a regular client of Germany's export credit insurance scheme. In the past five years alone, Germany granted Hermes guarantees worth €5.8 billion for ship exports – more than 11 per cent of all individual guarantees (see Table 5). Meyer Werft, member of the Top Ten Hermes beneficiaries, received eight Hermes guarantees worth a minimum of €1.3 billion since 2002 (see chapter on Top Ten Hermes Beneficiaries). Of these, at least €1 billion was used to guarantee the export of five cruise liners to the US; €200 million for one cruise liner sold to Italy and €100 million for two passenger ferries sold to Indonesia. As with all transport-related exports no environmental impact assessment was conducted for these sales.

Table 5: Hermes guarantees for ships, in millions of euros, and by share of total individual guarantees, 2002 to 2006

Year	Individual guarantees in millions of euros	Guarantees for ships	As % of individual guarantees
2002	7,943	403	5.1%
2003	7,699	632	8.2%
2004	11,917	815	6.8%
2005	12,142	1,459	12%
2006	12,774	2,516	19.7%
2002-2006	52,475	5,825	11.1%

Source: Hermes annual report 2002-2006

The German government's position on the climate impact of Hermes guarantees

The German government has made it clear in its answer to a parliamentary question on aircraft export promotion through Hermes guarantees³⁶ that it sees no need to consider the climate impact of Hermes guarantees as part of its environmental impact assessment. Nor does it conduct any cost-benefit analysis along the lines of the Stern report that would assess projects guaranteed by Hermes in terms of the costs created by their CO₂ emissions.

The government has rejected documenting and publishing the CO₂ emissions of Hermes-backed projects as done by the US ECA Ex-Im Bank for instance. It justified this position with the argument that it is impossible to find serious and meaningful data about this. Yet the fact that other countries' ECAs publish such data and attempt to set reduction targets shows that a lot more would be possible if Germany were to consider climate protection in its export promotion schemes.

The German government believes that German exporters' responsibility for the environmental impact of their products ends at the moment of delivery. It also believes that exports of parts for bigger projects to not contribute to total emissions. This devil-may-care attitude is a blatant contradiction of Germany's sustainable development goals and incompatible with Hermes' existing environmental guidelines.

European Parliament wants to bring export credits in line with combating climate change

The impact of public finance through export credit guarantees on climate change comes under increasing scrutiny in the EU effort to tackle the global warming crisis. With a resounding majority, the European Parliament passed a resolution on trade and climate change in November 2007 which calls for "the discontinuation of public support, via export credit agencies and public investment banks, for fossil fuel projects."³⁷

It is estimated that in financial terms, export credit support is approximately double the amount of oil, gas and mining projects as all of multilateral development banks combined. Half of all new GHG-emitting industrial projects in developing countries have some form of ECA support. While the EU is negotiating reductions in their own GHG emissions and emphasising the importance of reducing emissions in developing countries, their finance and trade agencies have so far largely ignored the climate implications of their activities. As this analysis of Hermes export guarantees shows, it is high time for this to be properly tackled and corrected.

This view is shared by European parliamentarians, who, in the November resolution, have asked the European Commission and EU governments to propose legislative instruments that would force ECAs "take account of the climate change implications of the funded projects" and to "impose a moratorium on funding until sufficient data are available".³⁸

Clearly, Germany's attitude not to assess the climate impact of its substantive government support to the aviation and shipping sector is no longer justifiable.

Recommendations

Using the example of Hermes-backed aircraft and ship exports, this report illustrates the significance and responsibility of Hermes guarantees in generating CO₂ emissions. ECAs play an important role in securing the sustainability and environmental safety of German exports. However, as this report shows, continuing along current lines contradicts the climate protection goals that the government itself set.

Nonexistent democratic control and lack of transparency make it hard for committed parliamentarians and civil society to carry out any public or parliamentary oversight. The government must introduce a broad reform of the regulatory framework structuring export promotion if it is at all serious about sustainable development and the fight against climate change.

To the German government:

Increase parliamentary oversight

- Inform the appropriate parliamentary committee (budget committee, economic cooperation committee, economic committee, environment committee) about impending export credit guarantee decisions on deals of special relevance or exceeding a value of €15 million.
- Endow relevant parliamentary committees with the right to veto individual export credit applications.

Harmonise export credit promotion with climate change policy

- Draw up and publish reduction targets for CO₂ emissions arising from Hermes-backed projects.
- In line with 2007 European Parliament resolution on trade and climate change (Art 29,30)
 - Discontinue public support, via its export credit guarantee scheme for fossil fuel projects and redouble efforts to increase the transfer of renewable energy and energy efficient technologies;
 - Propose legislative instruments in order that Euler Hermes AG take account of the climate change implications of funded projects when making or guaranteeing loans;
 - Impose a moratorium on funding until sufficient data are available, in accordance with advice from the OECD, the G8 and the Extractive Industries Review.

To the German export credit agency, Euler Hermes Kreditversicherung AG:

Increase transparency

- Make approval of export credit applications subject to the exporter agreeing to the publication of basic project information on its website.
- Publish the actual contract value of approved guarantees or credits in line with current practice in the United Kingdom and France.

Include climate impact in environmental assessments

- Include CO₂ emissions of guaranteed projects in Hermes' environmental impact screening and assessment processes.
- Document and publish expected CO₂ emissions of all Hermes-backed projects.
- Introduce a cost-benefit analysis of Hermes-backed projects in terms of costs incurred by their CO₂ emissions.

End Notes

01. See http://ec.europa.eu/environment/climat/home_en.htm

02. See faz.net 26.11.07

03. German Federal Environment Agency 2008: Short term forecast for 2007 CO₂ and other greenhouse gas emissions, <http://www.umweltbundesamt.de/uba-info-presse/2008/pdf/pd08-016-1.pdf>

04. European Parliament resolution of 29 November 2007 on trade and climate change (2007/2003 (INI)), <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P6-TA-2007-0576+0+DOC+XML+V0//EN&language=EN>

05. Euler Hermes Kreditversicherungs-AG 2001: Export credit guarantees of the German federal government, environmental guidelines, http://www.agaportal.de/pdf/leitlinien_umwelt.pdf

06. See environmental aspects listed on the home page of the German government's Foreign Trade and Investment Promotion Scheme, <http://www.agaportal.de/pages/aga/grundzuege/umweltaspekte.html>

07. Euler Hermes Kreditversicherungs-AG 2001: Export credit guarantees of the German federal government, environmental guidelines, http://www.agaportal.de/pdf/leitlinien_umwelt.pdf

08. More than €1.5 billion of this went to two cruise-liners, several Airbus aircraft and one steel plant in the US.

09. BMZ 2007: German net ODA 2001-2006, http://www.bmz.de/de/zahlen/imDetail/Deutsche_Netto-ODA_2001-2006.pdf

10. The rules that they claim allow them to do this are the protection of business secrets codified in Paragraph 20 of the VwVfg (Germany's Administrative Procedures Act) and Paragraph 203 on the violation of personal secrets codified in the StGB (Germany's penal code).

11. See the website of Germany's Foreign Trade and Investment Promotion Scheme for project information, <http://www.agaportal.de/pages/aga/grundzuege/projektinformationen/projekte.html>

12. Contract values are listed in 5 categories: Category 1 (up to €15 million), Category 2 (up to €50 million), Category 3 (up to €100 million), Category 4 (up to €200 million), Category 5 (more than €200 million).
13. The UK's export credit agency, the ECDG, for instance, lists exact contract values.
14. The exact placing of the top 10 recipients of Hermes guarantees varies according to the method of calculation used. In the original German study, three methods of calculation have been employed. In addition to the number of guaranteed projects (see Table 1 and Figure 2); two additional top-ten lists were drawn up; one based the sum of the lower limits of category values and one based on the sum of the upper limits of category values. As the results only vary very slightly and the top three recipients of Hermes guarantees are always the same three companies, this report only reproduces the results for the calculation method by number of projects covered. For the full results see German original publication available at: https://urgewald.de/_media/_docs/Wer%20Flugzeuge%20s%E4t.pdf
15. This is mainly due to the dominance of projects falling into categories 1 and 2, which have a relatively wide contract value margin. More than 90% - 173 projects in all - of Airbus projects fall into these two categories. See footnote 12.
16. However, among all top recipients, Siemens has the highest proportion of category 5 projects (no upper limit to contract value) - nine in all - and each was conservatively calculated worth €200 million. If one were to assume that the average value of these projects was just €300 million, a total project value of €7.4 billion, this would also place Siemens in the number one position. See footnote 12.
17. See Working Group III report 'Mitigation of Climate Change' in United Nations Fourth Assessment Report on Climate Change, <http://www.ipcc.ch/ipccreports/ar4-wg3.htm> and <http://www.ipcc.ch/pdf/assessment-report/ar4/wg3/ar4-wg3-chapter5.pdf>
18. European Commission, 10.01.2007: Limiting Global Climate Change to 2 degrees Celsius. The way ahead for 2020 and beyond, http://eur-lex.europa.eu/LexUriServ/site/en/com/2007/com2007_0002en01.pdf
19. See Hermes environmental guidelines 26.04.2001, http://www.agaportal.de/pdf/leitlinien_umwelt.pdf
20. See US Ex-Im Bank, Environmental Procedures and Guidelines, <http://www.exim.gov/products/policies/environment/envproc.cfm>
21. "OPIC announces greenhouse gas initiative capping emissions on new projects, shifting emphasis to renewable energy" 14.6.2007
22. Aircraft builder Airbus estimates passenger air traffic will grow at an annual average of 4.8% until 2025. Airbus experts estimate cargo flights will rise even more sharply, at 6% per year. See Airbus (2006): Global Market Forecast 2006 – 2025, http://www.airbus.com/store/mm_repository/pdf/att00008552/media_object_file_AirbusGMF2006-2025.pdf
23. Tyndall Centre September 2005: Decarbonising the UK, http://www.tyndall.ac.uk/media/news/tyndall_decarbonising_the_uk.pdf
24. See three categories 'IV Ships, ship gear'; 'V Vehicles, locomotives etc' and 'VI Aircraft' in table 'Aufgliederung der Einzeldeckungen nach Warenarten in Mio. EUR' in 2006 annual report.
25. See Bundestagsdrucksache 16/6916 of 06.11.2007, <http://dip.bundestag.de/btd/16/069/1606916.pdf>
26. Airbus's A320 group includes short and medium range planes such as the A318 and A319 models, as well as a longer version known as A321. Technically the group includes six planes that belong to the A300 series but that have been grouped with the A320 group for simplicity's sake.
27. These are long distance planes for intercontinental flights, the twin engine A330 and the four engine A340.
28. See Table 16 on page 90 of the report entitled "Giving wings to emission trading", http://ec.europa.eu/environment/climat/pdf/aviation_et_study.pdf
29. "The life span of an aircraft is about thirty years; as a consequence, the first Airbus aircraft models are about to reach their end of life." <http://www.reports.eads.com/2006/en/book3/3/5/3.html#3>
30. Assuming that the proportion of various guaranteed plane types was about the same as in the past ten years, the estimated CO2 emissions of the 778 planes guaranteed during this time is 988 million or almost one billion tonnes.
31. Federal Environment Agency 2008: short term forecast for CO2 emissions and other greenhouse gases in 2007, The life span of an aircraft is about thirty years; as a consequence, the first Airbus aircraft models are about to reach their end of life.", <http://www.reports.eads.com/2006/en/book3/3/5/3.html#3>
32. See "Stern Review on the Economics of Climate Change", 30.10.2006, http://www.hm-treasury.gov.uk/independent_reviews/stern_review_economics_climate_change/stern_review_report.cfm
33. Comparing Fuel Consumption, CO2 and Other Emissions from International Shipping and Aircraft: A Summary of Recent Research Findings by Veronika Eyring and James J Corbett, Release Date: 8. March 2007 http://www.pa.op.dlr.de/SeaKLIM/Fuel_Emissions_International_Shipping.html
34. Epoch Times Deutschland, 06.04.2007: Pollution through fine particulate emissions of cruise liners, <http://www.epochtimes.de/articles/2007/04/06/105920.html>
35. Author's own calculation based on data in <http://www.spiegel.de/sptv/magazin/0,1518,134120,00.html>
36. See Bundestagsdrucksache 16/6916 of 06.11.2007, <http://dip.bundestag.de/btd/16/069/1606916.pdf>
37. European Parliament resolution of 29 November 2007 on trade and climate change (2007/2003 (INI)), <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P6-TA-2007-0576+0+DOC+XML+V0//EN&language=EN>
38. Ibid

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