


Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Decision 2006/0167(COD)	Procedure completed
Officially supported export credits: application of certain guidelines See also 2012/2320(INI)	
Subject 2.60.03 State aids and interventions 6.20 Common commercial policy in general 6.20.01 Agreements and relations in the context of the World Trade Organization (WTO) 6.40.13 Relations with/in the context of international organisations: UN, OSCE, OECD, Council of Europe, EBRD	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	INTA International Trade		19/04/2010
		Vers/ALE JADOT Yannick	
		Shadow rapporteur	
		PPE CASPARY Daniel	
		S&D SUSTA Gianluca	
	ALDE RINALDI Niccolò		
	ECR ZAHRADIL Jan		
	Committee for opinion	Rapporteur for opinion	Appointed
	DEVE Development		03/06/2010
		Vers/ALE STAES Bart	
	ECON Economic and Monetary Affairs		06/07/2010
		PPE KARIŅŠ Krišjānis	
Council of the European Union	Council configuration	Meeting	Date
	Economic and Financial Affairs ECOFIN	3122	08/11/2011
European Commission	Commission DG	Commissioner	
	Trade	DE GUCHT Karel	

Key events			
02/12/2009	Additional information		Summary
06/07/2010	Committee referral announced in Parliament, 1st reading		
01/12/2010	Vote in committee, 1st reading		Summary
09/12/2010	Committee report tabled for plenary, 1st reading	A7-0364/2010	
05/04/2011	Results of vote in Parliament		
05/04/2011	Decision by Parliament, 1st reading	T7-0126/2011	Summary

13/09/2011	Decision by Parliament, 1st reading	T7-0363/2011	Summary
08/11/2011	Act adopted by Council after Parliament's 1st reading		
16/11/2011	Final act signed		
16/11/2011	End of procedure in Parliament		
08/12/2011	Final act published in Official Journal		

Technical information

Procedure reference	2006/0167(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Decision
	See also 2012/2320(INI)
Legal basis	Treaty on the Functioning of the EU TFEU 207-p2
Stage reached in procedure	Procedure completed
Committee dossier	INTA/7/02420

Documentation gateway

Legislative proposal		COM(2006)0456	10/08/2006	EC	Summary
Committee draft report		PE452.514	20/10/2010	EP	
Committee opinion	DEVE	PE448.927	27/10/2010	EP	
Amendments tabled in committee		PE452.832	16/11/2010	EP	
Committee opinion	ECON	PE448.949	24/11/2010	EP	
Committee report tabled for plenary, 1st reading/single reading		A7-0364/2010	09/12/2010	EP	
Text adopted by Parliament, partial vote at 1st reading/single reading		T7-0126/2011	05/04/2011	EP	Summary
Amendments tabled in committee		PE467.212	20/06/2011	EP	
Text adopted by Parliament, 1st reading/single reading		T7-0363/2011	13/09/2011	EP	Summary
Commission response to text adopted in plenary		SP(2011)8584	09/11/2011	EC	
Draft final act		00046/2011/LEX	16/11/2011	CSL	
Follow-up document		COM(2014)0123	07/03/2014	EC	Summary
Follow-up document		COM(2014)0299	28/05/2014	EC	Summary
Follow-up document		COM(2015)0130	17/03/2015	EC	Summary
Follow-up document		COM(2015)0516	20/10/2015	EC	Summary
Follow-up document		COM(2016)0718	18/11/2016	EC	Summary
Follow-up document		COM(2017)0067	07/02/2017	EC	Summary

Follow-up document		COM(2018)0262	04/05/2018	EC	Summary
Follow-up document		COM(2018)0305	17/05/2018	EC	Summary
Follow-up document		COM(2020)0348	03/08/2020	EC	
Follow-up document		COM(2020)0349	03/08/2020	EC	
Follow-up document		COM(2021)0395	15/07/2021	EC	
Follow-up document		COM(2022)0115	24/03/2022	EC	

Additional information

European Commission

[EUR-Lex](#)

Final act

[Regulation 2011/1233](#)

[OJ L 326 08.12.2011, p. 0045](#) Summary

Final legislative act with provisions for delegated acts

Delegated acts

[2013/2777\(DEA\)](#)

Examination of delegated act

[2015/2866\(DEA\)](#)

Examination of delegated act

[2017/2863\(DEA\)](#)

Examination of delegated act

Officially supported export credits: application of certain guidelines

PURPOSE: to update the current Council Decisions in force to reflect the most recent version of the Arrangement on guidelines for officially supported export credits concluded in the framework of the OECD.

PROPOSED ACT: Council Decision.

BACKGROUND: the Community is a Participant in the Arrangement on Guidelines for Officially Supported Export Credits concluded in the framework of the OECD.

The main objective of the Arrangement on guidelines for officially supported export credits is to regulate governments' role in export credits, so that exports reflect quality and prices rather than the most favourable officially supported terms, and hence to establish equal conditions of competition among exporters.

The Arrangement has always been incorporated into Community law by way of Council Decision.

The current version of the Arrangement applicable in the Community is the Decision (2001/76/EC) of 22 December 2000, which was amended by Council Decision of 22 July 2002 with respect of export credits for ships (2002/634/EC). Decision 2001/76/EC is supplemented by the Decision (2001/77/EC) of 22 December 2000 setting forth specific rules on export credits for project finance.

The Arrangement has helped to prevent distortions of competition linked with officially supported export credits. It is regularly updated through negotiations via consensus within the OECD framework. The current Council decisions need to be updated to reflect the most recent version of the Arrangement, i.e. OECD document TD/PG(2005)38/FINAL of 05 December 2005.

IMPACT ASSESSMENT: no impact assessment was carried out.

LEGAL BASE: Article 133 of the Treaty establishing the European Community.

CONTENT: the Commission requests the Council to adopt the draft decision approving the revised Arrangement text and ensuring its application in Community law. The guidelines contained in the Arrangement annexed to this Decision shall apply in the Community.

The proposal is of a very technical nature and deals only with finance/insurance rules applicable to officially supported export credits covered by OECD Arrangement. Decision 2001/76/EC and the Annex thereto are replaced by this Decision and its Annex. Decisions 2001/77/EC and 2002/634/EC are repealed.

BUDGETARY IMPLICATION: the proposal has no implication for the Community budget.

Officially supported export credits: application of certain guidelines

The Lisbon Treaty, which entered into force on 1 December 2009, amended the EU's two core treaties, the Treaty on European Union (TEU) and the Treaty establishing the European Community (EC Treaty). The latter was renamed the Treaty on the Functioning of the European Union (TFEU).

These changes had various consequences for many proposals presented by the Commission, on the basis of the "old" treaties, before that date. For more information, see [COM \(2009\)0665](#). In some cases, a new legal framework was conferred on certain proposals that had not previously been subject to the interinstitutional decision-making process. The European Parliament would now be involved in any decision on those proposals.

The proposal in this procedure file is one such case. It was previously based on Article 133 of the EC Treaty, under which the Commission submitted proposals to the Council for implementing the common commercial policy. It now falls under Article 207(2) of the TFEU, under which the European Parliament and the Council adopt measures, under the ordinary legislative procedure (formerly known as the "codecision" procedure), defining the framework for implementing this policy.

Officially supported export credits: application of certain guidelines

The Committee on International Trade adopted the report drafted by Yannick JADOT (Greens/EFA, BE) on the proposal for a decision of the European Parliament and of the Council on the application of certain guidelines in the field of officially supported export credits.

It recommended that the European Parliament's position at first reading under the ordinary legislative procedure should be to amend the Commission proposal as follows:

Transparency and reporting: Members deem the reporting requirements in the OECD Arrangement as insufficient to monitor the soundness of the financial operations of the European Export Credit Agencies. An amendment lays down additional measures on transparency and reporting to be applied in the Union (Annex 1a to this Decision).

With a view to tightening up transparency requirements, Members suggest establishing a requirement for the EU Member States to annually report to the Commission on the activities of their ECAs in these regards. This Annual Activity Report shall contain the following information:

- an audit of all national instruments and programs to which the Arrangement is applicable and of their compliance with the Arrangement, in particular its requirement that premiums are risk-based and cover long-term operating costs;
- an overview of major operational developments during the reporting period and their compliance with the Arrangement (listing new commitments, exposure, premium charges, claims paid and recoveries, and mechanisms for costing environmental risk);
- presentation of the Member State's policies for ensuring that Union development objectives and policies guide activities in the fields of export credits relating to environmental and social issues, human rights, sustainable lending and anti-bribery.

The Commission shall provide its analysis of the Annual Activity Report, assessing Member States' coherence with Union development policies, and commenting on general developments in the policy field to the European Parliament.

Members also call on the Commission to provide the European Parliament with an annual report on efforts undertaken in the various forums of international cooperation (including the OECD and the G-20) to have third countries, especially the emerging economies, introduce guidelines regarding the transparency of their export credit agencies at a level at least matching the OECD common approaches.

The Council shall report annually to the European Parliament and to the Commission on the implementation by each Member State of the Arrangement on Guidelines for Officially Supported Export Credits.

The balance-sheet of the export credit agency of any Member State shall provide a full overview of the agency's assets and liabilities. The use of off-balance-sheet vehicles by export credit agencies shall be made fully transparent.

Lastly, companies, other than SMEs, benefiting from export credits shall publish annual country-by-country financial accounts.

Poverty eradication: the report stresses that the revision of the Arrangement opens the opportunity to apply Article 208 TFEU, which states that the reduction and eradication of poverty is the primary objective of the Union's development cooperation policy. This goal must be respected when the Union implements policies likely to affect developing countries.

New proposal: Members call on the Commission to submit to the European Parliament and to the Council a proposal for a new decision to repeal and replace this Decision as soon as possible once a new version of the Arrangement has been agreed among the OECD Participants and no later than two months after it has entered into force.

Officially supported export credits: application of certain guidelines

The European Parliament amended, following the ordinary legislative procedure, the proposal for a decision of the European Parliament and of the Council on the application of certain guidelines in the field of officially supported export credits.

The vote on the resolution was postponed until a later session.

The main amendments made to the Commission proposal were as follows:

Transparency and reporting: Parliament deems the reporting requirements in the OECD Arrangement as insufficient to monitor the soundness of the financial operations of the European Export Credit Agencies. An amendment lays down additional measures on transparency and reporting to be applied in the Union (Annex 1a to this Decision).

With a view to tightening up transparency requirements, Members suggest establishing a requirement for the EU Member States to annually

report to the Commission on the activities of their ECAs in these regards. This Annual Activity Report shall contain the following information:

- an audit of all national instruments and programs to which the Arrangement is applicable and of their compliance with the Arrangement, in particular its requirement that premiums are risk-based and cover long-term operating costs;
- an overview of major operational developments during the reporting period and their compliance with the Arrangement (listing new commitments, exposure, premium charges, claims paid and recoveries, and mechanisms for costing environmental risk);
- presentation of the Member State's policies for ensuring that Union development objectives and policies guide activities in the fields of export credits relating to environmental and social issues, human rights, sustainable lending and anti-bribery.

The Commission shall provide its analysis of the Annual Activity Report, assessing Member States' coherence with Union development policies, and commenting on general developments in the policy field to the European Parliament.

Parliament also calls on the Commission to provide the European Parliament with an annual report on efforts undertaken in the various forums of international cooperation (including the OECD and the G-20) to have third countries, especially the emerging economies, introduce guidelines regarding the transparency of their export credit agencies at a level at least matching the OECD common approaches.

The Council shall report annually to the European Parliament and to the Commission on the implementation by each Member State of the Arrangement on Guidelines for Officially Supported Export Credits.

According to Members, the balance-sheet of the export credit agency of any Member State shall provide a full overview of the agency's assets and liabilities. The use of off-balance-sheet vehicles by export credit agencies shall be made fully transparent.

Lastly, companies, other than SMEs, benefiting from export credits shall publish annual country-by-country financial accounts.

Poverty eradication: Members stress that the revision of the Arrangement opens the opportunity to apply Article 208 TFEU, which states that the reduction and eradication of poverty is the primary objective of the Union's development cooperation policy. This goal must be respected when the Union implements policies likely to affect developing countries. The export credit agencies should take into account and respect the objectives and policies of the Union. When supporting Union companies, these agencies should comply with and promote the Union's principles and standards in such areas as consolidating democracy, respect for human rights and policy coherence for development.

New proposal: Parliament calls on the Commission to submit to the European Parliament and to the Council a proposal for a new decision to repeal and replace this Decision as soon as possible once a new version of the Arrangement has been agreed among the OECD Participants and no later than two months after it has entered into force.

Officially supported export credits: application of certain guidelines

The European Parliament adopted by 643 votes to 20 with 9 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on the application of certain guidelines in the field of officially supported export credits.

The report had been sent back for re-consideration by the competent committee on 5 April 2011.

Parliament adopted its first reading position according to the ordinary legislative procedure. The amendments are the result of a compromise negotiated between Parliament and Commission. The main amendments are as follows:

Legal basis: Parliament's position on first reading relates to the adoption of a regulation of the European Parliament and of the Council on the application of certain guidelines in the field of officially supported export credits. The legal basis is Article 207 TFEU.

Transparency and reporting: in a new amendment, the transparency and reporting measures to be applied in the Union are set out in Annex I in order to fulfil obligations under the Arrangement on Officially Supported Export Credits of the Organisation for Economic Co-operation and Development (OECD).

Without prejudice to the prerogatives of the Member States' institutions exercising the supervision of the national export credit programs, each Member State shall make available to the Commission an Annual Activity Report in order to step up transparency at Union level.

Member States must :

- report 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 as part of the Annual Activity Report;
- describe how environmental risks, which can carry other relevant risks, are taken into account in the officially supported export credit activities of their ECAs.

For its part, the Commission must :

- produce an annual review for the European Parliament based on this information, including an evaluation regarding the compliance of ECAs with Union objectives and obligations;
- provide to the European Parliament an annual report on negotiations undertaken, where the Commission has negotiating authorization in the various fora of international cooperation, to establish global standards in the field of officially supported export credits.

The first reporting period covers the year 2011.

Compliance with Union's external action: Member States shall comply with the Union's general provisions on External Action, such as 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.

Delegated acts: the Commission has the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union in respect of amendments to the guidelines as agreed upon by the Participants to the Arrangement. The amended text sets out the terms under which the delegation may be exercised.

Officially supported export credits: application of certain guidelines

PURPOSE: to update certain Council Decisions to reflect the most recent version of the Arrangement on guidelines for officially supported export credits concluded in the framework of the OECD.

LEGISLATIVE ACT: Regulation (EU) No 1233/2011 of the European Parliament and of the Council on the application of certain guidelines in the field of officially supported export credits and repealing Council Decisions 2001/76/EC and 2001/77/EC.

CONTENT: following agreement at first reading with the European Parliament, the Council adopted this Regulation approving the revised text of the OECD arrangement on officially supported export credits in order to ensure its application in the EU. As a party to the OECD arrangement, the EU plays a major role in the OECD's efforts to ensure a level playing field at international level by regulating the financial terms and conditions that export credit agencies may offer.

This Regulation replaces Decisions 2001/76/EC and 2001/77/EC. It provides for the Commission to adopt delegated acts in order to incorporate future changes to the OECD guidelines into EU law.

Transparency and reporting: the transparency and reporting measures to be applied in the Union are set out in Annex I in order to fulfil obligations under the Arrangement on Officially Supported Export Credits of the Organisation for Economic Co-operation and Development (OECD).

Without prejudice to the prerogatives of the Member States' institutions exercising the supervision of the national export credit programs, each Member State shall make available to the Commission an Annual Activity Report in order to step up transparency at Union level.

Member States shall:

- report 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 as part of the Annual Activity Report;
- describe how environmental risks, which can carry other relevant risks, are taken into account in the officially supported export credit activities of their ECAs.

The Commission shall:

- produce an annual review for the European Parliament based on this information, including an evaluation regarding the compliance of ECAs with Union objectives and obligations.
- provide to the European Parliament an annual report on negotiations undertaken, where the Commission has negotiating authorisation in the various forums of international cooperation, to establish global standards in the field of officially supported export credits.

The first reporting period, under the scope of this Regulation, covers the year 2011.

Compliance with Union's external action: a recital states that Member States should comply with the Union's general provisions on external action, such as 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.

DELEGATED ACTS: the power to adopt delegated acts is conferred on the Commission subject to certain conditions. The delegation of power shall be conferred on the Commission for an indeterminate period of time from 9 December 2011. It may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. A delegated act shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of 2 months of notification of that act to the European Parliament and the Council.

ENTRY INTO FORCE: 09/12/2011.

Officially supported export credits: application of certain guidelines

The Commission's annual review concerns export credit activities within the meaning of Regulation (EU) No 1233/2011, i.e. "medium and long term" transactions with a repayment period of 2 years or more. It is based on Member States' export credit activities and covers the calendar year 2012.

Annual Activity Reports have been received from the following Member States: Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Luxembourg, Netherlands, Poland, Portugal, Romania, Slovenia, Slovak Republic, Spain, Sweden and the United Kingdom.

Cyprus, Estonia, Greece, Ireland, Latvia, Lithuania and Malta did not have active export credit programs within Regulation 1233/2011 during the reporting year. Croatia joined the European Union on 1 July 2013.

General and financial information: the regulatory framework (Regulation (EU) No 1233/2011) focuses on rules for export credit transactions and programs, but leaves it entirely to the individual Member State to decide whether to run an export credit program or not, and in the affirmative case how to organise its respective Export Credit Agency (ECA).

In some Member States, the ECA is a government department or agency. In others, an insurance company performs this function under a public mandate and under government supervision. The report makes the following points:

- Compared to the previous reporting year the picture has not fundamentally changed: in 2012, 20 EU Member States were running export credit programs within the meaning of Regulation (EU) No 1233/2011, these programs being managed by a total of 27 different agencies and government departments.

- As already mentioned in the last annual review, the most common category of export credit support offered by European ECAs traditionally used to be "pure cover" (i.e. the export transaction in question is actually financed by a credit from a commercial bank, for which the ECA provides a guarantee or insurance-type cover), although some Member States also have been offering "official financing support" (e.g. interest rate support schemes).
- As a result of the global financial crisis of 2008-09 and the Eurozone crisis, it has in recent years become more difficult to obtain sufficient liquidity from commercial banks. Not all EU Member States are affected in the same way, but many have developed new instruments during the last years to mitigate such problems.

The Commission considers that the Annual Activity Reports provide relevant financial information on the export credit programs in 2012. Whilst there are some differences in presentation, the Commission has no specific observations on the financial aspects of the Annual Activity Reports.

Treatment of "environmental risks, which can carry other relevant risks": all Member States explicitly refer to this provision in their Annual Activity Reports. Some Member States explicitly refer to social impacts and a few also to human rights, fundamental labour standards, anti-bribery and general impact on development.

Environmental evaluation processes typically lead to a decision to either decline or to actually provide export credit support.

Compliance of ECAs with Union objectives and obligations: the report notes that there have been no disputes at WTO level involving European export credit programs. The Commission did not receive any complaints concerning potential infringements of EU law involving export credit agencies in 2012.

Compliance with Union objectives: the Treaty on the European Union (TEU) enumerates the general objectives of the Union in its Article 3 and the principles and objectives of the Union's External Action in Article 21. As regards the EU's common commercial policy, reference to the principles and objectives of the Union's external action is made in Article 206 and in the first paragraph of Article 207 of the Treaty on the Functioning of the European Union.

In summary, the Commission takes note that all Member States have developed policies to accompany the management of their export credit programs that are in line with the EU's objectives.

The Commission sees a clear general willingness on the side of the Member States to apply policies to their export credit programs, whose objectives are in line with the general language of Articles 3 and 21 TEU. In the Commission's view, this concerns notably the following objectives:

- establishing an internal market (Article 3(3) as mentioned, all export credit programs have to be compatible with relevant legislation), and - at an international level - to uphold and promote "free and fair trade" (Article 3(5) ;
- consolidating and supporting human rights (Article 21(2)(b),
- encouraging the integration of all countries into the world economy (Article 21(2)(e) ;
- helping develop international measures to preserve and improve the quality of the environment and sustainable management of global natural resources, in order to ensure sustainable development (Article 21(2)(f).

The Commission takes note of the [resolution adopted in July 2013](#) by the European Parliament on the first reporting exercise under Regulation (EU) No 1233/2011. It has brought this resolution to the attention of Member States for future reporting exercises.

Officially supported export credits: application of certain guidelines

This annual report relates to the negotiations undertaken by the Commission in the field of export credits in the sense of Regulation (EU) No 1233/2011. It covers the period from March 2013 to March 2014.

Traditionally, most of the Commission's negotiation activities in this policy area take place in the Organisation for Economic Co-operation and Development (OECD).

The European Commission, in the framework of its responsibility to carry out trade negotiations, represents the EU in all negotiations concerning the OECD Arrangement on Officially Supported Export Credits and its Sector Understandings (which cover special financing rules for specific industrial sectors), namely ships, nuclear power plants, civil aircraft and renewable energy, climate change mitigation and water projects.

Main developments in regard to export credits in 2013: the OECD Arrangement has in general been effective in providing a level playing field between the export credit programmes of its Participants. However, major emerging export credit providers like China, India or Brazil are not parties to it.

The establishment of the International Working Group on Export Credits (IWG) following a joint initiative by President Obama and then Vice-Premier Xi Jinping in February 2012 has created a strategic opportunity for OECD Participants and non-OECD Participants to work together on a new set of disciplines on export credits in a completely new environment. The European Union has therefore fully supported the IWG process from the start. In 2013, the IWG remained an essential priority, relevant activities taking an even bigger proportion in the EU's export credit work than in 2012.

According to the Commission, the provisional assessment of the IWG process at this stage is a mixed one:

- on the positive side, it has to be stressed that already the successful establishing and continued operation of such a forum is in itself no small achievement. It must be kept in mind that all previous efforts to notably engage China in similar talks at bilateral or multilateral level were not successful. Among the most important non-OECD export credit providers, only India has so far not formally joined the process, but participated as an observer to the Fourth Meeting;
- the EU has asserted itself as a major player, having organised two successful meetings and contributed with a lot of substantial contributions and a paper that still seems to shape IWG discussions;

- a real problem at this stage is however the fact that the activities of the IWG are for the time being very much driven by its OECD participants. With the exception of South Africa and Turkey, many non-OECD participants are rather cautious when it comes to making active contributions.

The meetings to be held in 2014 will certainly be crucial for an assessment whether all IWG Members are seriously committed to the process and whether the latter is likely to develop beyond the level of preliminary talks. In case that the IWG process is likely to enter into a phase of formal negotiations, the Commission would seek the necessary authorization in line with the Treaties.

Developments in the OECD may be summarised as follows:

- the finalisation of a two-year negotiation for the Sector Understanding on Export Credits for Rail Infrastructure (RSU) in November 2013. The RSU, which was a big ambition of the EU, establishes some specific financing conditions for the exports of rail infrastructure assets essential to operating trains, including rail control, electrification, tracks, rolling stock and related construction work.
- the EU is also the driving force behind two add-ons to the 2012 Sector Understanding on Export Credits for Renewable Energies and Climate Change Mitigation (CCSU). The sectoral extensions currently under negotiation concern climate change adaptation projects and electricity smart grids. Not all participants seem to have an active interest of their own in these dossiers.
- an area of strategic importance is the review of the interest rate provisions of the OECD Arrangement. While several other participants have no official position yet, the Commission has managed to obtain the consensus of the Member States on four guiding principles on the interest rate review. On the basis of these principles, the Commission is now working on a more substantial proposal, which the EU could table in the OECD later in 2014.
- Lastly, in commercial terms, the aircraft sector has always been the most important export credit sector. There have, however, been no major new developments recently. Implementation of the 2011 OECD Sector Understanding on Export Credits for Civil Aircraft continues (in theory, a review is foreseen for 2015).

The Commission will duly keep the European Parliament informed on new developments.

Officially supported export credits: application of certain guidelines

In accordance with Regulation (EU) No 1233/2011 of the European Parliament and of the Council on the application of certain guidelines in the field of officially supported export credits, the Commission presented its annual review of the Member States' Annual Activity Reports on Export Credits.

The present annual review covers the calendar year 2013. It concerns export credit activities in the sense of Regulation (EU) No 1233/2011, i.e. "medium and long term" transactions with a repayment period of 2 years or more. This review does neither cover short term export credit transactions nor activities carried out by certain Export Credit Agencies (ECAs) outside the field of export credits (such as insurance of investments).

The Commission has taken note of the [Resolution adopted on 2 July 2013](#) by European Parliament, in particular on the recommendation to the Council Working Group on Export Credits and the Commission to consult with the European External Action Service on further developing the reporting methodology the Commission has also turned the particular attention of Member States to this Resolution in view of subsequent reporting exercises.

Annual Activity Reports have been received from the following Member States: Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Luxemburg, the Netherlands, Poland, Portugal, Romania, Slovenia, Slovak Republic, Spain, Sweden, the United Kingdom.

The main findings of the report are as follows:

General and financial information: in 2013, 21 EU Member States were running export credit programs in the sense of Regulation (EU) No 1233/2011. These programs were managed by a total of 29 different agencies and government departments.

As regards the types of export credit support offered by European ECAs, the most common form remains "pure cover" (i.e. the export transaction in question is actually financed by a credit from a commercial bank, for which the ECA provides a guarantee or insurance-type cover).

The biggest European pure cover export credit schemes in 2013 (in billion Euro) are the following: Germany 87.7; France 61.2; Sweden 34.9; Italy 21.6; United Kingdom 20.6. 14 Member States also offer other forms of support covered by Regulation (EU) No 1233/2011 and the OECD Arrangement on Officially Supported Export Credits and not by a commercial bank, re-financing or interest rate support schemes.

Taking into account that there are specific financing conditions prevailing in certain industrial sectors e.g. aircraft and shipbuilding several Member States have also developed sector-specific export credit products. Many European ECAs are also offering such products as short term export credits and letter of credit guarantees, manufacturing risk guarantees or investment insurance products.

The Commission considered that the Annual Activity Reports provide relevant financial information on the export credit programs in 2013.

Treatment of environmental risks and other information: Regulation (EU) No 1233/2011 stipulates that Member States in their Annual Activity Reports shall describe how environmental risks, which can carry other relevant risks, are taken into account in the officially supported export credit activities of their ECAs. 19 Annual Activity Reports explicitly refer to this provision.

Several Member States explicitly refer to social impacts as well. Individual Member States also mention human rights, fundamental labour standards, anti-bribery or general impact on development.

The 21 Annual Activity Reports also show that Member States in general have policies on export credits and environment, anti-bribery and sustainable lending practices concerning low income countries.

Other Member States' policies linked to export credit activities include transparency (openness and confidentiality policy), dialogue with

stakeholders civil society, contribution to sustainable development, corporate social responsibility (either in the form of a Corporate Social Responsibility policy for the ECA itself or by promoting efforts of exporters in this field), and the promotion of respect of the OECD Guidelines for multinational enterprises.

Lastly, the European Commission stated that Member States with export credit activities in the sense of EU the Regulation have established policies to accompany the management of their export credit programmes that are in line with the EUs objectives.

The European Parliament has called upon the Commission for a statement on whether Member States comply with Union objectives and obligations. The Commission stands ready to facilitate and promote a relevant inter-institutional dialogue in this regard.

Officially supported export credits: application of certain guidelines

The Commission presents its annual report on negotiations undertaken by the Commission in the field of export credits, within the meaning of Regulation (EU) No 1233/2011. The period covered is from March 2014 to June 2015.

The Commission has negotiating authorisation in various forums of international cooperation, to establish global standards in the field of officially supported export credits.

Most of the Commissions negotiation activities in this policy area continue to take place within the Export Credit Committees of the Organisation for Economic Co-operation and Development (OECD).

The Commission represents the EU in all negotiations concerning the OECD Arrangement on Officially Supported Export Credits and its Sector Understandings (which cover special financing rules for specific industrial sectors), namely ships, nuclear power plants, civil aircraft, rail infrastructure and renewable energy, climate change, mitigation and water projects.

1) Main developments on export credits in 2014: the report notes that while the history of the OECD Arrangement may be considered a success story, this has changed substantially in recent years. Many new players have emerged in the field of export credits China, Brazil, India, the Russian Federation and South Africa. Quite a few among them have shown reservations to all initiatives to invite them to join the OECD Arrangement. Efforts to integrate them into a new set of international export credit disciplines have become a major priority in its own right.

2) International Working Group on Export Credit ("IWG"): this has continued to be the key forum of dialogue with the non-OECD export credit providers. The Group had four official meetings during the period covered by the report. This regular sequencing of meetings already demonstrates that the IWG has established itself as a regular process. The organisation of the Group remains rudimentary so far (no permanent chair, venue or secretariat). In due course, the more technical and complex IWG discussions become, the more necessary to come back on the question of the Group's institutional set-up.

- With the 5th Official IWG Meeting (Washington 20 -22 May 2014), the Group moved to a new phase of work characterized by "text-based discussions" on the two industrial sectors (naval construction and medical equipment) which the IWG agreed to analyse in detail. This adjustment in the working methods of the IWG had a very positive effect on the whole process. The Chinese delegation supported this new approach from the start, although they made it clear that they were under instruction to keep some important issues premia, interest rates and transparency questions out of the discussion until the IWG had moved to the horizontal phase of talks.
- Despite this reserve, the following meetings were quite constructive: China hosted the 6th Official Meeting in Beijing on 25 and 26 September 2014. While premia, interest rates and transparency issues remained outside the official scope of discussions, the IWG delegations had rather good exchanges on other technical matters (e.g. maximum repayment terms, maximum official support, local cost, definition of starting point of credit, repayment schemes, validity period for export credits).
- The 7th Official IWG Meeting was hosted by the European Union in Brussels from 3rd to 5th February 2015. The EU's approach to hosting this meeting consisted not only in continuing the "text-based" discussions on the ship-building and medical equipment sectors, but also in inviting OECD experts to give technical presentations on the way how premia-setting, interest rates and notifications of individual export credit transactions are organised under the OECD Arrangement.
- At the 8th Official IWG Meeting organised by Brazil in Brasilia from 19th to 21st May 2015 a major breakthrough was reached: the IWG Participants agreed that the talks on sectors have made sufficient progress to justify the launch of proper discussions on a general, horizontal system of rules, applicable to export credit transactions in general. This important decision marks the transition to a new phase in the work of the IWG and reflects a longstanding request by the US and the EU.
- The 9th meeting of the IWG will be hosted by the US in October 2015 and be dedicated to actually implementing the transition to the new phase of horizontal talks.

3) Developments at the OECD: these may be summarised as follows:

- by far the most complex and controversial discussions in the OECD Export Credit Committees during the reporting period have concerned the subject of export credits and fossil fuels, notably when it comes to the financing of coal-fired power plants. Over the last year, there have been intense discussions in the OECD on how export credits can contribute to our common goal to address climate change in the run up to COP 21 (Paris, 30 November to 12 December 2015);
- OECD Participants have at working level reached a preliminary consensus on rules for export credits and smart grids in June 2015;
- due to a favourable development in the negotiation environment in 2014, the OECD Participants re-visited the text of the Sector Understanding on Export Credits for Rail Infrastructure ("RSU") concluded in November 2013 and to agree to alleviate some restrictive provisions considerably;
- Implementation of the 2011 OECD Sector Understanding on Export Credits for Civil Aircraft (the ASU 2011) continued during the reporting period. No substantial arguments for a fundamental revision were identified and the OECD Participants agreed to postpone the matter until 2019.
- lastly, further technical work on a review of the interest rate provisions of the OECD Arrangement as well as on the premium system for High Income OECD countries was carried out during the reporting period as well, but has not yet resulted in a final outcome.

The Commission will keep the European Parliament informed on new developments.

Officially supported export credits: application of certain guidelines

The Commission presented its annual report on the Commission's negotiations on export credits within the meaning of Regulation (EU) No 1233/2011. The period extends from July 2015 to August 2016.

1. Main developments in 2014: the Commission recalls that, over the past decades, the OECD arrangement on officially supported export credits has effectively ensured a level playing field between the export credit programmes of its nine participants (European Union, United States, Canada, Japan, Korea, Norway, Switzerland, New Zealand and Australia).

However, it has not been possible to convince some of the new major players (notably China) to implement the Arrangement.

This explains why the International Working Group on Export Credits (IWG) was established in 2012 on the basis of an initiative taken by the United States and China. Its objective is to establish a new set of international rules on export credits, which would be approved by more participants than under the OECD Arrangement.

Although the work of the IWG has great strategic potential, it will take time to achieve tangible results. In the meantime, the work of the OECD on export credits will continue to be useful. It is therefore at these two different levels that the European Commission has had to represent the European Union in international discussions.

2. The International Working Group on Export Credits (IWG): during the reporting period, the IWG held three formal meetings:

- the ninth official meeting, held in Washington (14-16 October 2015), marked the beginning of discussions on horizontal general rules applicable to all export credit operations after an initial phase which involved interviews on medical equipment and ships only. Since then, discussions on medical equipment have stopped gradually, while those relating to the naval sector have continued;
- discussions on horizontal rules - both in Washington and at the tenth official meeting (held from 23 to 25 February 2016 in Beijing) were marked by strong differences in the best way to define the general provisions scope and objective of a future set of horizontal rules. Another problem is the inconsistencies between formal meetings, which are due to the permanent rotation of chairpersons, resulting in different agendas from one meeting to the next;
- when it organised the eleventh official meeting (held from 6 to 8 July 2016 in Berlin), the Union decided to consider the constituent elements of the horizontal text and chose less controversial subjects (such as maximum repayment deadlines, maximum public support, processing of local expenses and repayment terms), which allowed discussions on the horizontal text to resume.

Regarding the naval sector, the IWG members had constructive discussions at the three meetings.

3. Developments within the OECD: the greatest achievement was the adoption of the sectoral agreement on export credits for coal-fired power generation projects, on 18 November 2015.

Under the new sectoral agreement, it will now be possible to grant export credits for coal-fired power plants only if it is clearly demonstrated that no other low-carbon energy solution can be used for the project concerned and that this solution is compatible with host country policies and strategies for energy and climate change mitigation.

Only the export of the most efficient technology can be financed and support for plants based on less advanced technologies will be possible only under strict funding conditions.

According to the Commission, the new sectoral agreement (which will enter into force on 1 January 2017) should serve as a springboard for defining even more ambitious limits on the financing of coal-fired power plants in the near future.

Officially supported export credits: application of certain guidelines

In accordance with Regulation (EU) No 1233/2011, the Commission presents its annual review of Member States' annual activity reports on export credits. The review covers the calendar year 2014.

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

General and financial information: the report is based on the activity reports of 21 EU Member States that were running export credit programmes within the meaning of Regulation (EU) No 1233/2011.

Although most European governments have set up a national export credit agency (ECA), the scope and type of export credit programmes provided, as well as the organisational structures of the ECAs, differ among Member States.

Generally, however, a higher degree of convergence has evolved during recent years as the OECD Arrangement on Officially Supported Export Credits has come to encompass a wide range of issues.

In general terms, Member States have expanded their toolkit of export credit programmes in recent years. The most common type of export credit support offered by European ECAs is what falls under the category "pure cover" (i.e. the export transaction in question is actually financed by a credit from a commercial bank, for which the ECA provides a guarantee or insurance-type cover). A comparison of the aggregate nominal risk exposure at the end of 2014 provides at least a general idea of the size of the biggest pure cover type export credit schemes (in EUR billions):

- Germany: 88.5 ;
- France: 65.3 ;
- Sweden: 31.6
- Italy: 26.7 ;

Netherlands: 20.2.

Bearing in mind that there are specific financing conditions prevailing in certain industrial sectors e.g. aircraft and shipbuilding several Member States have also developed sector-specific export credit products. The latter essentially cover medium and long-term export credit activities.

Treatment of "environmental risks, which can carry other relevant risks": almost all Member States state that they comply with the OECD Recommendation on common approaches for officially supported export credits and environmental and social due diligence concerning environmental and human rights risks.

Several ECAs also mention that the risk assessment on aspects related to environmental and human rights is often pursued in close collaboration with exporters and banks.

The annual activity reports show that Member States in general have policies on export credits and environment, anti-bribery and sustainable lending practices concerning low income countries. In several cases, the ECAs in question have developed relevant instruments themselves (e.g. a corporate social responsibility policy or an ethics code).

As a means of promoting transparency, dialogues with stakeholders on transactions, finances and on environmental and social issues take place on a regular basis. Many Member States stress the special importance of human rights and the fight against corruption.

Compliance of ECAs with Union objectives and obligations: the Commission notes that Member States with export credit activities have established policies to accompany the management of their export credit programmes that are in line with the Union's objectives.

In response to a recommendation made by the European Parliament, the Commission services have recommended using the work of international monitoring institutions (including the UN) as guidance in further policy development. Member States reports already use such international instruments as references in varying degrees.

The European Parliament has called upon the Commission for a statement on whether Member States comply with Union objectives and obligations. On the basis of information contained in annual activity reports submitted by Member States, the Commission considers that they are consistent with the Union's objective set out in Articles 3 and 21 TEU.

There have been no disputes at WTO level involving European export credit programmes during the reporting period in 2014 and the Commission received no complaints concerning potential infringements of EU law involving export credit agencies.

Officially supported export credits: application of certain guidelines

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 2015.

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 2015.

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 2015 provides at least a general idea of the size of the biggest pure cover type export credit schemes (in EUR billion):

- Germany: 92.4
- France : 75
- Sweden: 38.9
- Italy: 24.6
- Netherlands: 20.2

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.

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 EUs 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 2015.

Officially supported export credits: application of certain guidelines

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.

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- 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.

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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 EUs objectives.

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