

AMNESTY INTERNATIONAL

PRESS RELEASE

Greater credit clarity: EU gets tough on exporters' human rights record

(Brussels, 13 September 2011) The European Parliament today adopted a law to make national export credit agencies (ECAs) more accountable for the impact projects they support have on people in developing countries. Amnesty International and ECA-Watch have welcomed this move to increase transparency and human rights compliance and have expressed the hope it will trigger more ambitious reform of global ECA standards.

"Export credit agencies must ensure that all the projects they fund comply with human rights standards. This law is an important first step. We simply can't rely on companies to safeguard human rights", said Nicolas Beger, Director of Amnesty International's European Institutions Office.

"Thanks to the European Parliament, national governments must now take greater responsibility for how companies use public money", said Deborah Lambert Perez, Coordinator of ECA-Watch.

Export credits are government-backed loans which support companies doing business abroad, particularly with high-risk projects. Collectively, they represent one of the world's largest sources of public financing for private-sector projects. The political risks against which export credit agencies insure companies include civil war, social unrest, and coups d'état. These are situations where business activity may easily contribute to human rights violations. The new law requires ECAs' activities to align with the European Union's commitments to human rights. EU countries must now report annually on their ECAs' activities, which will be assessed by the European Commission. After one year of harsh negotiation between the EU Council and the European Parliament's International Trade Committee, EU permanent representatives eventually gave their support to the proposal which was adopted by Parliament today.

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