



Highlights of [GAO-03-1093](#), a report to congressional requesters

Why GAO Did This Study

Export credit agencies (ECA) are responsible for providing billions of dollars worth of support for large-scale industrial projects annually, but until recently most ECAs did not formally review the environmental impacts of these projects. The United States, whose Export-Import Bank began using environmental guidelines in 1995, pushed for negotiations on common ECA environmental guidelines at the Organization for Economic Cooperation and Development (OECD). The OECD negotiations halted in 2001 because the United States believed that the results, called the Common Approaches, were insufficient. The remaining OECD members then pledged to voluntarily implement the Common Approaches. In response to congressional interest in ECA environmental guidelines, GAO assessed (1) the level of convergence among OECD members and the prospects for further advancement and (2) what impacts such guidelines may have on U.S. exports.

www.gao.gov/cgi-bin/getrpt?GAO-03-1093

To view the full product, including the scope and methodology, click on the link above. For more information, contact Loren Yager, (202) 512-4347, yagerl@gao.gov.

EXPORT CREDIT AGENCIES

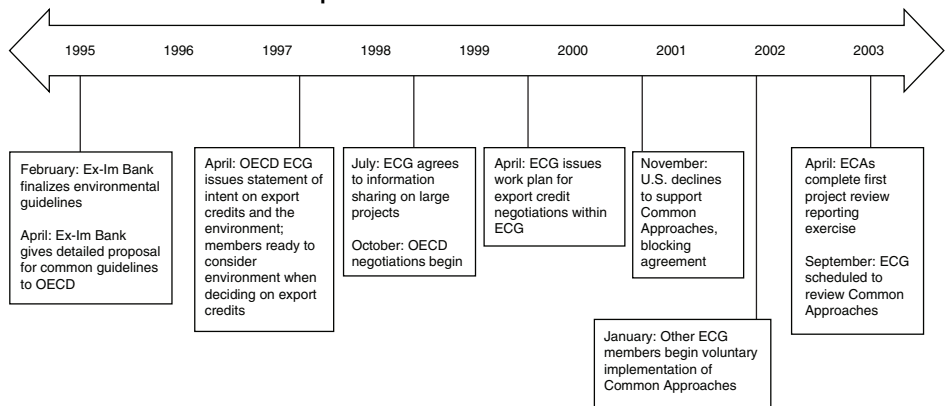
Movement Toward Common Environmental Guidelines, but National Differences Remain

What GAO Found

Since OECD negotiations began, members have made progress in developing environmental guidelines for their ECAs and are moving toward common environmental review practices. However, important differences remain. Having agreed to voluntarily implement the Common Approaches beginning in 2002, many OECD members adopted similar basic procedures for reviewing sensitive projects. However, OECD members' guidelines and practices differ in areas where the United States believes it has among the more advanced policies, including which technical standards ECAs use to review projects and the extent to which environmental impact information is publicly disclosed. Although OECD members are considering revising the Common Approaches in 2003, the United States is unlikely to achieve all of its original negotiating objectives because of the desire by some OECD members to gain more experience with the guidelines before renegotiating them and the reluctance of other members to take any steps that might be perceived as having a negative effect on the competitiveness of their exporters.

There is limited evidence that the Export-Import Bank's environmental guidelines have affected U.S. exports, although the complexity of potential effects and the lack of information make identifying and quantifying impacts difficult. The evidence GAO reviewed indicates that impacts are likely to be concentrated in the energy sector. Most Export-Import Bank transactions do not require an environmental review because they are either short-term transactions, are in certain excluded sectors, or are not considered environmentally sensitive. Finally, while some businesses are more concerned about the impacts of environmental guidelines than others, their specific concerns are largely anecdotal and difficult to confirm.

Milestones in Efforts to Develop Common Environmental Guidelines for ECAs



Source: GAO.