

## **CHECKLIST**

### **For reporting according to Regulation (EU) 1233/2011**

#### **I. Reporting country information**

Reporting Country	Germany
Submission Date	31.07.2015
Reporting Institution (Government Department, ECA)	Federal Ministry of Economic Affairs and Energy

#### **II. Reporting country legal and policy information**

Mandate/Legal status of ECA	<p>The Federal Government bears the budgetary responsibility for the export credit guarantee scheme. An Interministerial Committee (IMC) is composed of representatives of the Federal Ministry of Economic Affairs and Energy (which chairs the Committee), Finance, Foreign Affairs and Economic Cooperation and Development and decides on all major applications for cover. The IMC examines questions of basic policy and oversees the modernisation of the export credit guarantees. It decides on cover policy, which stipulates the scope and conditions of cover available for the individual countries. When deciding whether or not to grant cover, the principles of budget law, which authorizes an amount for guarantees to promote and support foreign trade, must be complied with as well as international rules (in particular the OECD Consensus). The Federal Government has mandated the administration and handling of the export credit guarantee scheme to a private consortium comprising Euler Hermes Aktiengesellschaft as lead partner and PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft. The employees of the mandated consortium in Hamburg and in the branch offices are the contact persons for the exporters and banks. They prepare decisions on applications for the meetings of the IMC and advise the Federal Government in their decisions.</p>
Officially supported export credit programs (in the sense of Article 5 of the OECD Arrangement) during reporting period	<p><b>Wholeturnover and revolving cover</b></p> <ul style="list-style-type: none"> <li>• Wholeturnover Policy</li> <li>• Wholeturnover Policy light</li> <li>• Revolving Supplier Credit Cover</li> <li>• Revolving Buyer Credit Cover</li> </ul>

	<ul style="list-style-type: none"> <li>• Framework Credit Cover</li> </ul> <p><b>Single transaction cover</b></p> <ul style="list-style-type: none"> <li>• Supplier Credit Cover</li> <li>• Export Credit Cover for Service Providers</li> <li>• Buyer Credit Cover</li> <li>• Buyer Credit Cover - express</li> <li>• Manufacturing Risk Cover</li> <li>• Constructional Works Cover</li> </ul> <p>With special sectoral provisions</p> <p>Airbus Guarantee, Project Finance, Ship and Railway Financing, Renewable Energy</p> <p><b>Supplementary forms of cover</b></p> <ul style="list-style-type: none"> <li>• Credit Confirmation Risk Cover</li> <li>• Counter-Guarantee</li> <li>• Confiscation Risk Cover</li> <li>• Leasing Cover</li> <li>• Securitisation Guarantee</li> <li>• Securitisation Guarantee for the KfW Refinancing Programme</li> <li>• Contract Bond Cover</li> </ul>
Annual reports available on reporting year	<p>Annual and Interim Reports</p> <p><a href="http://www.agaportal.de/en/aga/downloads/jahresberichte.html">http://www.agaportal.de/en/aga/downloads/jahresberichte.html</a></p>

### III. Information on the reporting Member State's Export Credit policies:

General presentation of the reporting MS' policies on export credits, including all information that can help the Commission in carrying out its evaluation regarding the compliance of the Export Credit Agencies with EU objectives and obligations <sup>1</sup> (in the sense of Article 3, Annex 1 of EU	The Federal Government attaches great importance to a <b>global and sustainable development</b> . Apart from the economic effects of an export transaction in Germany, <b>environmental aspects</b> in their wider sense, i.e. ecological, social and developmental effects in
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<sup>1</sup> EP side suggested to use such a phrase (to ensure that it is not forgotten that the Regulation's official reference is to "EU objectives and obligations)

Regulation1233/2011)	the country of the buyer are taken into account to determine whether it is eligible for support.
<p>Special information on the following policies:</p> <p><i>1) Environment:</i></p> <p>a) Do you apply the OECD Recommendation on Common Approaches to the Environment and Officially Supported Export Credits? (its successor instrument the OECD Recommendation on Common Approaches on Officially Supported Export Credits and Environmental and Social Due Diligence?)</p> <p>b) any other relevant information</p>	<p>Yes, Germany applies the revised 2012 OECD Common Approaches (CA). Risks identified in the course of environmental and social due diligence may have repercussions not only on the eligibility for support but also on the justifiability of the risk involved in it. They have a major influence on the decision whether export credit cover is granted or not.</p> <p>Germany is in favour of a further development of the CA to keep the sustainability framework updated. Germany is actively involved in the current discussions on adjustments to the CA on EU and OECD level.</p>
<p><i>2) Human rights:</i></p> <p>a) Do you apply the Human Rights related aspects of the Recommendation on Common Approaches, on Officially Supported Export Credits and Environmental and Social Due Diligence?</p> <p>b) Any other relevant information?</p>	<p>Yes. Germany applies the Human Rights related aspects of the Common Approaches which are determined by the reference standards the Common Approaches refer to.</p> <p>Germany appreciates the direct reference which is made to the application of Human Rights aspects in the environmental and social due diligence in the 2012 Common Approaches.</p> <p>Moreover, Germany assesses risks when there is information or reason to believe that human rights are violated by the project, even if the transaction does not fall under the scope of the Common Approaches.</p>
<p><i>3) Anti-Bribery measures:</i></p> <p>a) Do you apply the OECD Recommendation on Bribery and Officially Supported Export Credits?</p> <p>b) Any other relevant information?</p>	<p>Yes. Germany applies the Recommendation on Bribery and implemented a two-stage procedure: In a preliminary step, exporters and banks must sign an anti-bribery declaration as part of any application for cover. In this declaration, the company must confirm that the export or loan contract has not arisen or will not arise as a result of any criminal acts on the part of any of its employees or anyone acting on its behalf. It must in addition give detailed information on whether any sanctions have been imposed on it under criminal or civil law as a result of any incidence of bribery during the past five years.</p>

	<p>If any evidence of bribery-relevant circumstances turns up as a result of this declaration or, for example, from investigations by the public prosecutor or sanctions have been imposed under criminal or civil law, a more detailed examination, the “enhanced due diligence”, is performed in a second step. It focuses on the internal measures, processes and structures put in place by the company in question to prevent and combat bribery. Furthermore, the sales staff involved in the transaction as well as the commission and fee payments made are examined. Normally, the compliance officers of the companies concerned are also involved in the process.</p> <p>In this way, the Federal Government ensures that exporters/banks for which the OECD recommendation calls for an enhanced due diligence are duly examined.</p> <p>The Federal Government of Germany actively supports all efforts aimed at combating bribery in order to create transparent and fair trading conditions and a level playing field. We have gained a broad experience applying enhanced due diligence to supported export transactions.</p> <p>In connection with the granting of export credit guarantees the Federal Government states:</p> <ul style="list-style-type: none"> <li>• No export credit guarantees will be granted for export transactions or loan agreements the conclusion of which involved any criminal acts such as bribery.</li> <li>• If it is proven later that corruption was involved, the Federal Government can invoke relief from liability pursuant to the General Conditions.</li> </ul> <p>Within this context the prevention of bribery is also risk control. The Federal Government therefore encourages export companies to actively take up the subject and to set up internal mechanisms designed to prevent corruption. Measures to prevent bribery comprise exemplary behaviour of the companies' managers and regular training of the employees in addition to drawing up a code of conduct.</p>
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<p>4) <i>Sustainable Lending Practices:</i></p> <p>a) Do you apply the OECD Principles and Guidelines to Promote Sustainable Lending Practices in the Provision of Official Export Credits to Low Income Countries?</p> <p>b) Any other relevant information?</p>	<p>Yes. Germany only provides cover for export credits to public buyers in Low Income Countries if they are in line with sustainable development objectives of these countries.</p>
<p>5) Other policies</p>	<p>The Federal Government promotes more transparency of officially supported export credits. Therefore – and going beyond the requirements of the Common Approaches on disclosure of project information (category A and B projects) - all applicants of transactions with an order value equal to or above EUR 15 million and selected projects of special public interest below this threshold are requested to give their approval for publication of certain project data.</p> <p>In June 2014, the Federal Government decided to stop granting export credit guarantees for supplies and services intended for <b>nuclear facilities</b> (new and existing) abroad.</p> <p>Export credit guarantees for nuclear facilities are available only in exceptional cases, which include supplies and services which will improve the safety of existing facilities or are related to decommissioning of nuclear facilities.</p> <p>Supplies and services for nuclear facilities which are not used for commercial generation of electric power, as a rule, are also exempt from the suspension on the granting of export credit guarantees. Such facilities include, for example, research reactors and nuclear medical installations.</p> <p><b>Further Development of the German export credit guarantee scheme:</b></p> <ul style="list-style-type: none"> <li>● Introduced in June 2014, “extended supplier credit cover” allows German exporters to obtain cover for manufacturing and export risks in justified cases even if the export contract must be executed and performed via a local subsidiary in the buyer’s country.</li> <li>● Since December 2014, exporters have been able to submit a non-binding preliminary inquiry to determine whether cover is fundamentally available in cases in which the proportion of foreign deliveries exceeds 49 %, thus meaning that the export transaction in question no longer predominantly comprises German goods.</li> </ul>

	<ul style="list-style-type: none"> <li>• Simplifications of counter-guarantees, which taking effect on 1 July 2014, reduce the amount of administration work required and reinforce legal certainty for all parties involved.</li> </ul>
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#### IV. Annual Activity Report data:

Explanatory note:

*"MS shall report, in accordance with their national legislative framework, on assets and liabilities, claims paid and recoveries, new commitments, exposures and premium charges."*  
From Regulation 1233/2011, Annex 1.

Member States that have more than one ECA should do one single integrated report (reporting obligation is on the Member State as such, not the ECA). Where a MS offers at the same time different types of products (pure cover and direct lending), the reporting under chapter IV should however differentiate.

<b>A) In case of official support is provided in the form of export credit guarantee or insurance ("pure cover") in the sense of Art 5 a 1) OECD Arrangement:<sup>2</sup> in Mio.</b>	
Overview of assets	./.
Overview of liabilities	./.
Aggregate nominal risk exposure <ul style="list-style-type: none"><li>01-01-2014</li><li>31-12-2014</li></ul>	EUR 87.709,0 EUR 88.467,1
a.) nominal risk exposure under insurance policies issued <ul style="list-style-type: none"><li>01-01-2014</li><li>31-12-2014</li></ul>	EUR 27.899,6 EUR 24.750,8
b.) nominal risk exposure under promises and notices of cover <ul style="list-style-type: none"><li>01-01-2014</li><li>31-12-2014</li></ul>	EUR 15.310,5 EUR 11.647,4
Premium Income	EUR 598,1
Recoveries	EUR 299,8
Claims paid	EUR 504,0
<b>B) In case official support is provided in the form of Official Financing Support in the sense of Article 5a2) OECD Arrangement:</b>	
Overview of assets	n/a (no separate financial accounting)
Overview of liabilities:	n/a (no separate financial accounting)
a) nominal value of officially supported loan portfolio <ul style="list-style-type: none"><li>01-01-2014</li><li>31-12-2014</li><li>01-01-2014</li><li>31-12-2014</li></ul>	<b>Standard CIRR Programme</b> ("ERP-Exportfinancing Programme"): EUR 2,770.3 EUR 3,022.9 <b>Ship financing CIRR:</b> EUR 3,452.0 EUR 5,993.9
b) total value of off balance commitments <ul style="list-style-type: none"><li>01-01-2014</li><li>31-12-2014</li></ul>	./.
Interest received	n/a (no separate financial accounting)
Annual profit/loss	n/a (no separate financial accounting)
<b>V. Contingent liabilities</b>	
Where contingent liabilities might arise from officially supported export credit activities, those activities shall be reported:	Not applicable

<sup>2</sup> Member States not using EUR should report the figures in their national currency and in EUR

## VI. Evaluation and incorporation of environmental risks

Environmental risks:	<p>The OECD Common Approaches are applied to all applications with medium and long repayment terms and an order value above SDR 10 million. In all, 145 applications with a total volume of 16.1 billion euros underwent preliminary screening, resulting in 37 in-depth environmental and social reviews for transactions with a volume of 3.7 billion euros assigned to OECD Common Approaches categories A and B.</p> <p>In 2014, a final commitment was given for a total of 40 Category A and B projects.</p>
a) Number/exposure of transactions Category A	<p>In 2014, new export credit guarantees were issued for <b>14 Category A projects</b> (cover volume: 1,052.8 million euros) in the following sectors:</p> <ul style="list-style-type: none"> <li>1 Mining</li> <li>7 Power generation and distribution</li> <li>4 Metal processing industry</li> <li>2 Food processing industry</li> </ul>
b) Number/exposure of transactions Category B	<p>In 2014, new export credit guarantees were issued for <b>26 Category B projects</b> (cover volume: 997.5 million euros) in the following sectors:</p> <ul style="list-style-type: none"> <li>11 Power generation and distribution (of which renewables: 8 projects – 191.9 million euros)</li> <li>6 Wood processing and paper</li> <li>1 Infrastructure</li> <li>6 Metal processing industry</li> <li>2 Other industries</li> </ul>
How are environmental risks, which can carry other relevant risks, taken into account in the officially supported export credit activities?	<p>A prerequisite for granting cover is that the export transaction is eligible for support and involves a risk that is justified. In this context, the environmental and social impacts (including relevant human rights aspects) especially of major, sensitive projects supported deliveries are destined to play an important role as eligibility criteria. They are either subject to the OECD Common Approaches and the application of the</p>



	<p>international standards for due diligence referenced in there or to risk assessments beyond the scope of the CA. Risks identified in the course of environmental and social due diligence may have repercussions not only on the eligibility for support but also on the justifiability of the risk involved in it and are often part of the critical issues discussed in the IMC meetings. The Federal Government does not want to support deliveries to projects which may have serious adverse ecological, social or developmental impacts. With regard to the financial risks, Germany always assesses the credit-worthiness of the foreign buyer and if necessary the guarantor, the market situation and the country risk.</p>
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