

CHECKLIST

For reporting according to Regulation (EU) 1233/2011

I. Reporting country information

Reporting Country	Germany
Submission Date	31.07.2017
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>Wholeturnover and revolving cover</p> <ul style="list-style-type: none"> • Wholeturnover Policy • Wholeturnover Policy light • Revolving Supplier Credit Cover • Revolving Buyer Credit Cover

	<ul style="list-style-type: none"> • Framework Credit Cover <p>Single transaction cover</p> <ul style="list-style-type: none"> • Supplier Credit Cover • Export Credit Cover for Service Providers • Buyer Credit Cover • Buyer Credit Cover - express • Manufacturing Risk Cover • Constructional Works Cover <p>With special sectoral provisions for</p> <p>Ships, Nuclear Power Plants, Aircraft, Renewable Energy Projects, Rail Infrastructure, Coal-fired Electricity Generation Projects, Project Finance,</p> <p>Supplementary forms of cover</p> <ul style="list-style-type: none"> • Credit Confirmation Risk Cover • Counter-Guarantee • Confiscation Risk Cover • Leasing Cover • Securitisation Guarantee • Securitisation Guarantee for the KfW Refinancing Programme • Contract Bond Cover
Annual reports available on reporting year	Annual Report 2016

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 ¹ (in the sense of Article 3, Annex 1 of EU Regulation1233/2011)	The Federal Government attaches great importance to a global and sustainable development . Apart from the economic effects of an export transaction in Germany, environmental aspects in their wider sense, i.e. ecological, social and developmental effects in the country of the buyer are taken into account to determine whether it is eligible for support.
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¹ 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")

<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 2016 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.</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 revised 2016 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 has 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 administrative law as a result of any incidence of bribery during the past five years. It also has to indicate whether it is currently under investigation by public prosecutors. Moreover the company has to indicate whether it is listed on the debarment lists of the following Multilateral Financial</p>

	<p>Institutions: World Bank Group, Africa Development Bank, Asian Development Bank, European Bank for Reconstruction and Development and the Inter-American Development Bank.</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"> • No export credit guarantees will be granted for export transactions or loan agreements the conclusion of which involved any criminal acts such as bribery. • If it is proven later that corruption was involved, the Federal Government can invoke relief from liability pursuant to the General Conditions. <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</p>
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	drawing up a code of conduct.
<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>
5) Other policies	<p>New Developments in the German export credit guarantee scheme:</p> <ul style="list-style-type: none"> • Foreign-sourced goods and services (49 PLUS) <p>The Federal Government significantly simplified the cover provided for export business with a large proportion of foreign-sourced goods and services. The new procedure applies to transactions subject to specific cover on medium and long-term payment terms. As of October 2016, a distinction is only drawn between export transactions with a proportion up to 49% and those with a proportion of more than 49% of foreign sourced goods. The previous three-tier model has thus been replaced by a modern, readily understandable system with two levels:</p> <ul style="list-style-type: none"> - Cover can be obtained for export transactions with a proportion of foreign-sourced goods of up to 49% without any need to provide reasons. - Export transactions with a proportion of foreign sourced goods of more than 49% may also be eligible for cover under certain conditions. <p>The Federal Government decides on whether to provide cover for a transaction comprising predominantly foreign goods on the merits of the individual case.</p> <ul style="list-style-type: none"> • Reduction of the uninsured percentage under supplier credit cover extended <p>Exporters still have the possibility of lowering the uninsured percentage for commercial losses under supplier credit cover from the customary 15% in the case of single transaction policies and 10% in the case of Wholturnover Policies to 5%. Introduced in the wake of the financial crisis, the Federal Government has now extended this measure for a further period until 31</p>

	<p>December 2019.</p> <ul style="list-style-type: none"> ● Federal Government widening support for large-scale foreign projects <p>The Federal Government has adopted a package of measures to assist large-scale foreign projects of outstanding strategic importance for Germany more effectively and to support them with foreign-trade promotion instruments. In a preliminary measure, the IMC substantially simplified the cover provided for export business with a large proportion of foreign sourced goods and services</p>
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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.

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:² in Million EUR	
Overview of assets	./.
Overview of liabilities	./.
Aggregate nominal risk exposure <ul style="list-style-type: none"> 01-01-2016 31-12-2016 	EUR 92,416 EUR 89,766
a.) nominal risk exposure under insurance policies issued <ul style="list-style-type: none"> 01-01-2016 31-12-2016 	EUR 25,832 EUR 20,615
b.) nominal risk exposure under promises and notices of cover <ul style="list-style-type: none"> 01-01-2016 31-12-2016 	EUR 9,124 EUR 12,074
Premium Income	EUR 845.4
Recoveries	EUR 974.4
Claims paid	EUR 551.8
B) In case official support is provided in the form of Official Financing Support in the sense of Article 5a2) OECD Arrangement:	
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"> 01-01-2016 31-12-2016 01-01-2016 31-12-2016 	Standard CIRR Programme ("ERP-Exportfinancing Programme"): EUR 3,081.9 EUR 2,990.2 Ship financing CIRR: EUR 9,214.2 EUR 10,549.1
b) total value of off balance commitments <ul style="list-style-type: none"> 01-01-2016 31-12-2016 	./.
Interest received	n/a (no separate financial accounting)
Annual profit/loss	n/a (no separate financial accounting)
V. Contingent liabilities	
Where contingent liabilities might arise from officially supported export credit activities, those activities shall be reported:	Not applicable

² 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, 131 applications with a total volume of 17.6 billion euros underwent preliminary screening, resulting in 48 in-depth environmental and social reviews for transactions with a volume of 4.3 billion euros assigned to OECD Common Approaches categories A and B.</p> <p>In 2016, 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 2016, new export credit guarantees were issued for 11 Category A projects (cover volume: 3,209.8 million euros) in the following sectors:</p> <ul style="list-style-type: none"> 7 Power generation 3 Chemical industry 1 Infrastructure
b) Number/exposure of transactions Category B	<p>In 2016, new export credit guarantees were issued for 29 Category B projects (cover volume: 974.3 million euros) in the following sectors:</p> <ul style="list-style-type: none"> 9 Power generation and distribution (of which renewables: 8 projects – 313.2 million euros) 5 Chemical industry 3 Wood processing and paper 3 Metal processing industry 3 Food industry 6 Other industries
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 international standards for due diligence</p>

	<p>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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