

COUNCIL**Council****REPORT ON THE IMPLEMENTATION OF THE OECD
RECOMMENDATION ON SUSTAINABLE LENDING PRACTICES AND
OFFICIALLY SUPPORTED EXPORT CREDITS AND PROPOSED
AMENDMENTS****(Note by the Secretary-General)****JT03544432**

1. This document presents, in its Annex, a Report by the Working Party on Export Credits and Credit Guarantees (ECG) on the implementation of the OECD Recommendation on Sustainable Lending Practices and Officially Supported Export Credits [[OECD/LEGAL/0442](#)] (hereafter, the “Recommendation”), including on the implementation of its substantive provisions, its dissemination and its continued relevance. The Report concludes that the Recommendation remains relevant and identifies areas that may warrant additional consideration to support its further dissemination and implementation.
2. The document also proposes one non-substantive draft amendment to the Recommendation in order to update the references to the World Bank’s [Sustainable Development Finance Policy](#) (SDFP).
3. The ECG approved the Report and its transmission to Council by written procedure on 8 March 2024 [[TAD/ECG\(2023\)9/REV1](#)]. In line with the mandate of the ECG, the Report was sent to the Trade Committee for comments by 18 April 2024 [[TAD/TC\(2024\)7](#)]. Once declassified, it will be included on the [online Compendium of OECD Legal Instruments](#) and prepared for publication.

Background

4. The Recommendation was adopted by the Council meeting at Ministerial level on 30 May 2018 [[C/MIN\(2018\)15/FINAL](#)] and embodies the 2016 Principles and Guidelines to Promote Sustainable Lending Practices in the Provision of Official Export Credits to Low-Income Countries. To date, all OECD Members are Adherents to the Recommendation, and no non-Members have yet adhered.
5. The purpose of the Recommendation is to ensure that officially supported export credits do not contribute to the build-up of unsustainable external debt in “lower income”¹ countries. To this end, the Recommendation contains practices that Adherents should follow when they are considering the provision of official export credit support to public sector obligors or guarantors in these countries.
6. In view of the instruction from the Council in the Recommendation for the ECG to monitor its implementation and to report thereon to Council no later than five years following its adoption and regularly thereafter, the present Report was developed to reflect on the first five years of its implementation and to assess its continued relevance.

Methodology

7. In order to undertake the assessment of Adherents’ implementation of the Recommendation, two basic sets of information have been used:
 - In the first instance, information on how Adherents have implemented the Recommendation is collected *via* the Survey on policies and practices relating to the Recommendation (hereafter referred to as the “Survey”). For this Report,

¹ For the purposes of the Recommendation, “lower income countries” are countries that are eligible for financing through the International Monetary Fund (IMF) Poverty Reduction and Growth Trust (PRGT) or that only have access to interest free credit or grants from the International Development Association (IDA) of the World Bank (“IDA-Only” countries).

responses to the Survey were provided by 31 out of 38 Adherents,² with no submissions having been provided by four Adherents that are ECG members (Colombia, Ireland, Israel and Lithuania) and the three Adherents (Chile, Costa Rica and Iceland) that are not ECG members. It should be noted, however, that with the exception of Israel, all of these Adherents either do not have export credit programmes or do not provide any official export credit support that would fall within the scope of the Recommendation.

- A second and more objective source of information is the data available *via* the transaction-level reporting of official export credits³ that have been supported according to the terms and conditions of the Arrangement on Officially Supported Export Credits [[OECD/LEGAL/5005](#)] (hereafter referred to as the “Arrangement”) by ECG members. In principle, such data should show whether or not the export credits supported by Adherents for transactions covered by the Recommendation were consistent with its provisions.

Process

8. In line with the process set out above to review Adherents’ policies and practices relating to the Recommendation, the Survey was shared with ECG members on 10 November 2021 for a first round of answers by 31 January 2022. Members were then given an opportunity to review their answers and to provide additional information or corrections by 29 April 2022. The final results of the Survey as well as a comparative analysis with the answers provided in previous Survey results were shared by the Secretariat in May 2022 [[TAD/ECG\(2022\)1/FINAL](#)].

9. A **first draft** of the Report [[TAD/ECG\(2023\)9/PROV](#)], along with limited proposed draft amendments to the Recommendation, was shared with the ECG for discussion at its meeting on 8-9 November 2023 and for written comments by 17 November 2023.

10. Based on the comments provided by ECG members, a **second draft** of the Report [[TAD/ECG\(2023\)9/REV1](#)], including the limited proposed draft amendments, was approved by the ECG by written procedure on 8 March 2024.

11. In line with the mandate of the ECG, the Report, including the draft amendments, was then shared with the Trade Committee for comments by Thursday 18 April 2024 [[TAD/TC\(2024\)7](#)]. No comments were received from the Trade Committee.

² It should be noted that three Adherents (Czechia, Japan and Korea) with more than one official export credit agency (ECA) provided responses separately for each institution. This means that there were 34 responses from 31 Adherents.

³ It should be noted that the coverage of the reporting of individual official export credits is not exactly the same as that of the Recommendation. In the first instance, the Recommendation covers official export credits with a repayment term of one year or more, whereas the reporting of individual transactions comprises repayment terms of two years or greater. In addition, although the Recommendation applies to “*official export credits*”, no agreed definition of this term exists. Although the majority of ECG members choose to apply the terms and conditions of the Arrangement to all of the official export credits that they provide, some do not. In addition, because there are no agreed definitions for the two most fundamental terms needed to define the scope of the Arrangement (“official” and “export credit”), the application of the Arrangement is *de facto* self-determined and the scope of reporting may differ from one ECG member to the next.

Summary and conclusions

Implementation

12. Based on the information collected through the Survey and the reporting of individual transactions that are covered by the Recommendation, the following conclusions regarding Adherents' implementation of the Recommendation emerge:

- Survey responses indicate that all Adherents that actually provided support for official export credits that were covered by the Recommendation have formal policies in place to implement its provisions.
- The information obtained from the reporting of individual transactions (sometimes in combination with the information from the Survey on transactions notified), provided additional information about Adherents' implementation of the Recommendation. On the whole, this information showed that the support provided by Adherents was consistent with the Recommendation, notwithstanding the fact that a number of transactions that should have been notified to the World Bank and IMF were not.
- The lines of communication between Adherents and World Bank and IMF staff appear to be functioning well, and the information on country-specific debt limits conditionality (needed by Adherents to apply the Recommendation) has been provided by the World Bank and IMF on a regular basis.

Dissemination

13. The introduction by the Development Assistance Committee (DAC) into its criteria for a loan to qualify as Official Development Assistance (ODA) of the very same measures that are set out in the Recommendation, albeit adapted for the provision of concessional credits, has served to strongly disseminate the Recommendation within DAC members.

14. As far as non-Adherents are concerned, although the possibility that relevant non-Members (*i.e.*, those that provide meaningful volumes of official export credit support) would wish to join the Recommendation seems remote at this time, the current Adherents and the OECD could undertake further efforts to disseminate information about the Recommendation and the positive benefits that adherence to it brings.

Continued relevance

15. Overall, the information presented in this Report indicates that Adherents have made the efforts necessary to fully and successfully implement the Recommendation. Adherents have taken concrete steps in implementing each provision, and the Recommendation remains relevant and useful for providers of officially supported export credits. Nonetheless, this review has provided the opportunity to identify a few practical challenges that Adherents have faced in implementing the provisions of the Recommendation and to take stock of recent developments in the field.

16. From a longer-term perspective, regarding the scope of the Recommendation and its alignment with Adherents' current practices, the Report shows that a few Adherents deemed it appropriate to notify the World Bank and IMF of a private risk mega-project in

Mozambique.⁴ Accordingly, Adherents may wish to consider the idea of requiring all transactions of a certain size, including private risk, to be notified to the World Bank and IMF.

17. Furthermore, the Report has identified three areas that may warrant further in-depth consideration by Adherents before any concrete revisions to the Recommendation might be proposed:

- Although it may be premature to propose any revisions in respect of Section II(a), Adherents may wish to discuss ways to clarify the Recommendation in relation to taking the DSAs into account when there are no non-concessional borrowing limits in place. This reflection could be undertaken with a view towards potentially revising the Recommendation in the future, or alternatively to establish a common understanding amongst Adherents on this matter, in support of the implementation of the Recommendation.
- Adherents may also wish to explore whether or not there needs to be additional operational guidance to address the issue of changes in the borrowing limits of countries (*e.g.*, when an Adherent has provided a preliminary promise of cover when a country is not subject to a non-concessional borrowing limit, and then a limit is put in place afterwards, before a final commitment is made).

18. Finally, in view of the fact that official export credits are but one of several types of cross-border lending from official sources that can have an impact on a country's debt sustainability, Adherents may wish to consider ways by which information about the Recommendation could be further disseminated within their governments in order to allow for its application, where appropriate, to other cross-border lending operations that have the potential to contribute to the build-up of unsustainable debt by lower income countries.

Proposed amendments

19. It is proposed that the reference to the World Bank's debt limits policy be updated, to reflect the name change from "Non-Concessional Borrowing Policy (NCBP)" to "Sustainable Development Finance Policy (SDFP)" in section II.b, II.b.i., II.b.ii. and II.c. of the Recommendation. These proposed amendments were approved for transmission to the Council alongside the Report by the ECG on 8 March 2024 [[TAD/ECG\(2023\)9/REV1](#)].

Proposed action

20. In light of the preceding, the Secretary-General invites the Council to adopt the following draft conclusions:

THE COUNCIL

- a) noted document [C\(2024\)90](#), in particular the Report set out in its Annex, and agreed to its declassification;
- b) adopted the draft amendments to the Recommendation of the Council on Sustainable Lending Practices and Officially Supported Export Credits [[OECD/LEGAL/0442](#)] as set out in paragraph 21 of document [C\(2024\)90](#);

⁴ It should be noted, however, that a public entity in Mozambique was one of the key sponsors of the project.

- c) encouraged Adherents to the Recommendation to:
- i. address the challenges identified in the conclusions of the Report, including any possible shortcomings in their policies and practices that may have led to not reporting relevant transactions to the World Bank and IMF;
 - ii. continue to implement the Recommendation and to further disseminate it, including within governments in order to allow for its principles to be applied, as appropriate, to other official cross-border lending operations;
- d) invited the Working Party on Export Credits and Credit Guarantees to:
- i. support Adherents in addressing the challenges identified in the conclusions of the Report by undertaking further discussions on:
 - ways to clarify the Recommendation in relation to taking the DSAs into account when there are no non-concessional borrowing limits in place;
 - whether or not there needs to be additional operational guidance to address the issue of changes in the borrowing limits of countries;
 - the extent to which Adherents assess the net positive economic return of a project and whether any actions should be taken to reinforce this principle;
 - whether or not additional dissemination efforts should be made to broaden the impact of the Recommendation beyond official export credits to other cross-border lending operations that have the potential to contribute to the build-up of unsustainable debt by lower income countries;
 - ii. report back to Council on the implementation, dissemination and continued relevance of the Recommendation in five years.

ANNEX

REPORT ON THE IMPLEMENTATION OF THE OECD RECOMMENDATION ON SUSTAINABLE LENDING PRACTICES AND OFFICIALLY SUPPORTED EXPORT CREDITS

1. Introduction

1. This Report has been prepared in connection with Sections III and VI of the OECD Recommendation on Sustainable Lending Practices and Officially Supported Export Credits [[OECD/LEGAL/0442](#)] (hereafter, the “Recommendation”). Section VI instructs the Working Party on Export Credits and Credit Guarantees (ECG) to monitor the implementation of the Recommendation and to report thereon to Council no later than five years following its adoption (and regularly thereafter). In addition, Section III recommends that Adherents provide data *via* the OECD Secretariat to the International Monetary Fund (IMF) and World Bank on all supported transactions to lower-income countries on an annual basis in order to, *inter alia*, assess their success towards ensuring that official export credits to lower income countries are not provided for unproductive purposes and are consistent with the aims of the Debt Sustainability Framework for these countries.

2. The Report provides an assessment of: (1) the implementation by Adherents of its substantive provisions, (2) the continued relevance of the Recommendation and whether or not the Recommendation requires revision and (3) the dissemination of the Recommendation and whether or not there is any need for further actions to support its dissemination and implementation. Bearing the above in mind, the Report has been organised as follows after this introduction:

- **Section 2** provides background information about the Recommendation, including a summary of its purpose and of the practices that it recommends.
- **Section 3** provides information about any relevant developments in the field of sustainable lending since the Recommendation came into force.
- The methodologies used for the Survey and for the construction of the data set that comprises the export transactions supported by Adherents to the countries covered by the Recommendation are explained in **Section 4**.
- In order to provide overall context about the relative importance of business in the countries covered by the Recommendation, **Section 5** presents some overall trends in the volume and nature of the official export credit support provided by Adherents. Since the Recommendation is identical in substance to ECG’s former agreement on sustainable lending,¹ information on transactions supported between

¹ The Principles and Guidelines to Promote Sustainable Lending Practices in the Provision of Official Export Credits to Lower-Income Countries [[TAD/ECG\(2016\)14](#)] were agreed by the ECG in November 2016. Although the agreement was not a formal OECD legal instrument, ECG members were expected to implement it in the same way.

2013 (when the previous agreement was implemented) and 2022 (the latest complete year available) have been presented.

- **Section 6** provides an assessment of Adherents' implementation of the Recommendation looking at each discrete measure that is recommended. In the first instance, the Survey results are used to determine if Adherents' stated policies and practices are in line with the discrete measures that are recommended. Where relevant, the information on the individual transactions supported are also used to determine whether or not the transactions supported were consistent with the provisions of the Recommendation.
- **Section 7** provides information about efforts to disseminate the Recommendation, including an assessment of the existing communication between Adherents and the World Bank and IMF.
- **Section 8** presents overall conclusions and observations regarding Adherents' implementation, dissemination and the continued relevance of the Recommendation, as well as proposals for the further examination of several issues.

2. Background

3. The Recommendation was adopted by the Council meeting at Ministerial level on 30 May 2018. It replaced an agreement amongst members of the ECG that was in force from November 2016 and the adoption of the Recommendation. That agreement contained identical provisions to those of the Recommendation, meaning that ECG members (who are all Adherents to the Recommendation) have been implementing, in principle, the substance of the Recommendation since November 2016.

4. To date, all OECD Members are Adherents to the Recommendation, and no non-Members have yet adhered. With respect to OECD Members, Chile, Costa Rica and Iceland are not ECG members and do not participate in its work, as they do not have active export credits programmes.

5. The purpose of the Recommendation is to ensure that the provision of officially supported export credits do not contribute to the build-up of unsustainable external debt in "lower income"² countries. To this end, the Recommendation sets out practices that Adherents should follow when they are considering the provision of official export credit support to public sector obligors or guarantors in these countries. These practices comprise measures that Adherents should take in relation to each transaction under consideration for support, including that:

- the results of the most recent IMF/World Bank country-specific debt sustainability analyses (DSAs) are taken into account and relevant programme or policy documents are reviewed [Section II(a) of the Recommendation],
- the prevailing limits on public sector non-concessional borrowing for countries that are subject to debt limit conditionality for non-concessional borrowing are respected; in the case of a zero limit this means that official export credit support should not be provided, and when there is a non-zero limit Adherents should seek assurances from the appropriate government authorities in the debtor country that

² For the purposes of the Recommendation, "lower income countries" are countries that are eligible for financing through the International Monetary Fund (IMF) Poverty Reduction and Growth Trust (PRGT) or that only have access to interest free credit or grants from the International Development Association (IDA) of the World Bank ("IDA-Only" countries).

the project/expenditure is in accordance with the debt limits for that country [Section II(b)], and

- the World Bank and IMF should be informed about any credit (except very small ones) that an Adherent plans to support that is subject to debt limits conditionality for non-concessional borrowing [Section II(c)].
6. In addition, Adherents should provide data on all transactions supported to lower-income countries to the IMF and World Bank *via* the OECD Secretariat on an annual basis (Section III).
7. Finally, the Recommendation contains an instruction from the Council for the ECG to monitor its implementation and to report thereon to Council no later than five years following its adoption and regularly thereafter. In line with this, the present Report was developed to reflect on the first five years of its implementation and to assess its continued relevance.

3. Developments in the field of sustainable lending since the Recommendation was adopted

8. In 2021, the OECD's Development Assistance Committee (DAC) introduced into its criteria for a loan to qualify as Official Development Assistance (ODA) the very same measures that are set out in the Recommendation, albeit adapted for the provision of concessional credits. In the DAC's latest *Converged Statistical Reporting Directives for the Creditor Reporting System (CRS) and the Annual DAC Questionnaire [DCD/DAC/STAT(2023)9/FINAL]*, it is stated that:

Loans whose terms are not consistent with the IMF Debt Limits Policy and/or the World Bank's Non-Concessional Borrowing Policy/Sustainable Development Finance Policy are not reportable as ODA. See Box 1 for the procedural steps to ensure an ODA loan is compliant with these debt policies.

9. Box 1 in document [DCD/DAC/STAT\(2023\)9/FINAL](#) provides a recapitulation (adapted for the provision of concessional credits) of the Recommendation in its entirety. Thus, in order for a concessional credit to *qualify to be reported* as ODA, it must be consistent with World Bank and IMF concessional borrowing policies. Unlike the Recommendation, which applies to Official Export Credits, however, the rules adopted by the DAC do not preclude the provision of a concessional credit that is not in line with these policies, only that it is not eligible to be counted as ODA.

4. Methodology

10. The following part of this Report provides a detailed description of the methodologies used to undertake the assessment of Adherents' implementation of the Recommendation in respect of the Survey and of the data on individual official export credit transactions that have been supported.

4.1. Survey on Members' policies and practices related to the OECD Recommendation on Sustainable Lending Practices and Officially Supported Export Credits

11. The Survey is comprised of four groups of questions that are designed to elicit information on Adherents' policies, practices and experience in implementing the Recommendation. Each group of questions is associated with a discrete measure that is recommended. In addition, in view of the importance of communications between

Adherents and the World Bank and IMF, Adherents are asked to provide information on their experience and interactions when seeking information from these institutions to assist in their decision-making process regarding the provision of support for a transaction covered by the Recommendation.

12. For this Report, responses to the Survey³ were provided by 31 out of 38 Adherents⁴ (hereafter also referred to as Respondents), with no submissions having been provided by four Adherents that are ECG members (Colombia, Ireland, Israel and Lithuania) and the three Adherents mentioned previously (Chile, Costa Rica and Iceland) that are not ECG members. It should be noted, however, that with the exception of Israel, all of these Adherents either do not have export credit programmes or do not provide any official export credit support that would fall within the scope of the Recommendation.

4.2. Sustainable lending official export credit transactions data set

13. The data on the transactions supported by Adherents that has been used in this Report is drawn from the export credits individual transactions database. A description of the characteristics of and the methodology used to create the database is provided in the latest report on official export credit business volumes [[TAD/ECG\(2022\)9/FINAL](#)]. For the purposes of this Report, since almost all Adherents only report export credits supported according to the terms and conditions of the Arrangement on Officially Supported Export Credits [[OECD/LEGAL/5005](#)] (hereafter, the “Arrangement”), the data set used to produce this report is limited to official export credits supported in accordance with the Arrangement. In addition, although the Recommendation applies to “*official export credits with a repayment term of one year or more*”, only transactions with a repayment term of two years or more are reported by ECG members.

14. In the first instance, the transactions drawn from the export credits individual transaction database for use in this report comprise all export credits that were provided between 2013 and 2022 involving countries covered by the scope of the Recommendation.⁵ This data set is used to provide, for purposes of context, an overall picture of the volume and nature of official export credits provided to the lower income countries covered by the Recommendation.

15. A narrower data set that corresponds with the scope of the Recommendation (comprising only non-concessional transactions with the public sector provided between 2017 and 2022⁶) has been used along with the Survey results to inform the analysis of Adherents’ implementation of the Recommendation.

³ The results of the latest Survey were shared with the ECG in May 2022 [[TAD/ECG\(2022\)1/FINAL](#)].

⁴ It should be noted that three Adherents (Czechia, Japan and Korea) with more than one official export credit agency (ECA) provided responses separately for each institution. This means that there were 34 responses from 31 Adherents.

⁵ Any country that is either (1) eligible for financing through the International Monetary Fund (IMF) Poverty Reduction and Growth Trust (PRGT) or (2) that only has access to interest free credit or grants from the International Development Association (IDA) of the World Bank (“IDA-Only” countries).

⁶ This is the period during which the Recommendation and its predecessor – *the Principles and Guidelines to Promote Sustainable Lending Practices in the Provision of Official Export Credits to Lower-Income Countries* [[TAD/ECG\(2016\)14](#)] (which was identical in substance with the Recommendation) have been in force.

5. Trends in official export credit commitments to countries covered by the Recommendation

5.1. Trends in the credit value and number of transactions supported to countries covered by the Recommendation

16. Although the provisions of the Recommendation only apply to transactions involving public obligors or guarantors (*i.e.*, where the public sector is ultimately responsible for the repayment of a credit), **Charts 1a** and **1b** and **Tables 1a** and **2a** provide information about the volume of official export credits involving the public and private sectors in terms of credit value and the number of projects supported. During the last ten years, Adherents provided support for 1,741 transactions with a credit value of USD 46.3 billion in countries covered by the Recommendation. As shown in Charts 1 and 2, the volume of export credits to these countries has increased steadily in terms of the number of projects supported, but more unevenly when measured by credit value, although the volume of business decreased moderately in 2022 by any measure.

17. The most striking aspect emerging from these charts and tables is the extremely high credit value of business supported in 2019 (USD 12.2 billion) which was driven by one mega-project supported by five Adherents; the “*Mozambique Offshore Area 1 Project*” involving the development of offshore natural gas extraction fields accounted for more than USD 8.3 billion. Absent this project, the credit value of 2019 business would have been consistent with the moderate upward trend observed during the period.

18. As shown in the tables and charts, the level of support provided for aircraft according to the Sector Understanding on Export Credits for Civil Aircraft (ASU) [[OECD/LEGAL/5011](#)] was relatively small and no support was provided for any ship supported according to the Sector Understanding on Export Credits for Ships (SSU) [[OECD/LEGAL/5016](#)].

19. Although the volume of business with countries covered by the scope of the Recommendation has increased in recent years, during the same period it still only amounted to 8.6% of total by credit value and 9.6% by number of transactions. This reflects the basic fact that official export credits are predominantly provided in support of exports to middle- and high-income countries rather than low-income countries.

Table 1 – Official export credits to countries covered by the Recommendation (USD millions)

Official export credits to "low income" countries	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
Chapter II + Annex I (CCSU) + Annex II (NSU)	1,511.0	1,830.2	1,275.6	3,954.8	4,378.4	2,962.0	11,904.7	4,712.9	5,207.1	3,914.3	41,650.9
Annex III (ASU)	425.8	1,289.1	149.9	2.2	239.2	178.9	325.6	270.3	289.9	417.4	3,588.3
Annex IV (SSU)	-	-	-	-	-	-	-	-	-	-	0.0
Related to Concessional Financing Packages	118.5	106.1	78.9	32.4	91.6	392.5	21.4	208.2	26.2	4.1	1,079.8
Total	2,055.2	3,225.4	1,504.3	3,989.4	4,709.1	3,533.4	12,251.7	5,191.4	5,523.2	4,335.8	46,318.9

Chart 1 - Official export credits to countries covered by the Recommendation (USD millions)

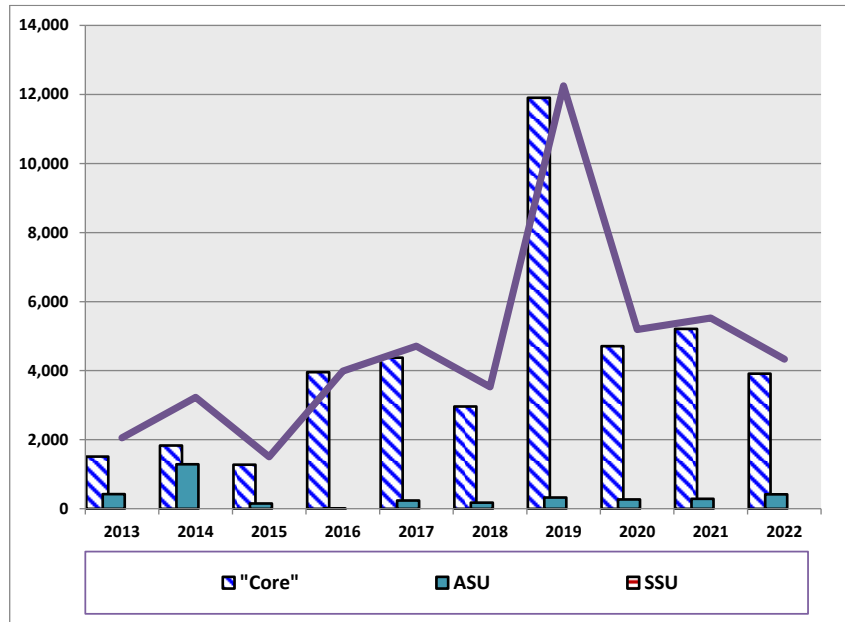
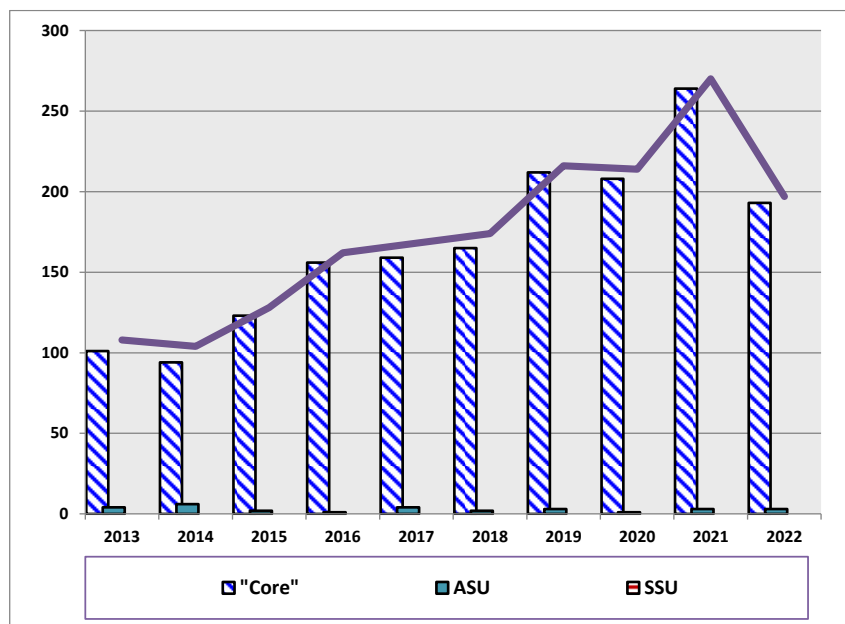


Table 2 – Official export credits to countries covered by the Recommendation (number of transactions)

Official export credits to "low income" countries	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
Chapter II + Annex I (CCSU) + Annex II (NSU)	101	94	123	156	159	165	212	208	264	193	1,675
Annex III (ASU)	4	6	2	1	4	2	3	1	3	3	29
Annex IV (SSU)	-	-	-	-	-	-	-	-	-	-	0
Related to Concessional Financing Packages	3	4	3	5	5	7	1	5	3	1	37
Total	108	104	128	162	168	174	216	214	270	197	1,741

Chart 2 - Official export credits to countries covered by the Recommendation (number of transactions)



20. **Tables 3a and 3b** provide information about the volume of support provided on a country-by-country basis in terms of credit value as well as the number of transactions supported. In the first instance, it is clear that a relatively small number of countries covered by the Recommendation are significant markets for official export credits. Of the 72 countries covered by the Recommendation:

- Eleven countries (Bangladesh, Benin, Cameroon, Côte d'Ivoire, Ethiopia, Ghana, Kenya, Mozambique, Senegal, Tanzania and Uzbekistan) accounted for 89% of official export credits in terms of credit value and 74% in terms the number of transactions.
- On the other end of the spectrum, 21 countries did not receive any official export credit support during the last ten years.

21. Of the eleven countries listed above, it should be noted that nine (all but Ethiopia and Mozambique, which are low-income countries) are middle-income countries, which in general are more important markets for official export credits. As already mentioned, although official export credits are provided to Mozambique on a regular basis, its status as the largest recipient of official export credits amongst countries covered by the Recommendation is solely related to the LNG mega-project Mozambique mentioned previously as well as a second large LNG project (the “Coral South Project” with a credit value of USD 1.15 billion). As far as Ethiopia is concerned, as noted in more detail later in this report, almost all business was related the support provided for aircraft sales to Ethiopian Airlines.

Table 3a - Official export credits to countries covered by the Recommendation by country (credit value)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
Africa	1,066.8	3,015.0	845.8	3,148.4	3,717.4	1,953.4	10,468.2	3,605.6	4,428.8	3,188.5	35,437.9
Benin	-	1.9	0.9	1.3	167.9	11.0	18.7	301.7	609.0	295.9	1,408.3
Burkina Faso	4.0	-	47.8	1.2	0.9	-	21.2	1.0	31.9	66.7	174.8
Burundi	-	-	-	-	-	-	-	-	-	-	0.0
Cabo Verde	5.0	-	-	-	-	3.3	-	42.5	0.7	-	51.5
Cameron	-	112.5	13.8	612.0	62.8	135.1	18.9	49.1	276.1	101.6	1,381.9
Central African Republic	-	-	-	-	-	-	-	-	-	-	0.0
Chad	-	-	-	0.4	-	-	-	-	-	-	0.4
Comoros	-	-	-	-	-	-	-	-	-	-	0.0
Congo	-	-	86.3	270.7	-	1.0	-	-	1.8	11.0	370.8
Democratic Republic of the Congo	56.8	30.0	0.6	0.1	11.4	2.5	2.9	6.1	159.5	0.7	270.7
Côte d'Ivoire	-	59.8	66.0	27.3	5.4	171.0	400.6	714.4	1,057.7	117.8	2,620.2
Djibouti	26.3	6.9	-	-	10.0	-	0.5	-	-	0.9	44.6
Eritrea	-	-	-	-	-	-	-	-	-	-	0.0
Ethiopia	129.7	1,098.8	0.5	-	932.1	33.1	149.6	415.7	289.0	418.3	3,466.6
Gambia	-	-	-	-	-	-	-	-	-	-	0.0
Ghana	585.9	132.9	33.4	918.1	155.8	490.5	504.2	664.5	1,316.1	639.1	5,440.5
Guinea	-	-	-	-	2.8	6.6	2.7	9.8	0.8	41.7	64.6
Guinea-Bissau	-	-	-	-	-	-	-	-	-	-	0.0
Kenya	14.7	1,072.4	389.2	589.9	487.4	54.1	5.8	101.9	96.6	6.9	2,818.9
Lesotho	-	6.0	-	1.1	-	-	-	-	-	-	7.1
Liberia	-	-	-	-	-	1.2	-	0.3	-	0.9	2.4
Madagascar	2.4	-	-	0.2	0.8	7.1	-	3.1	-	143.6	157.3
Malawi	-	-	-	1.7	-	-	-	-	0.8	-	2.5
Mali	1.9	-	-	25.9	30.5	70.3	27.9	12.7	32.8	14.1	216.1
Mauritania	-	-	-	1.9	-	-	-	2.4	-	7.8	12.0
Mozambique	76.7	35.7	37.6	-	1,269.7	2.3	8,344.4	0.2	0.6	5.5	9,772.7
Niger	-	-	27.1	62.4	-	-	-	-	0.2	-	89.7
Rwanda	22.0	20.8	-	-	226.9	5.0	-	-	2.8	2.1	279.7
Sao Tome and Principe	-	-	-	-	-	-	-	18.6	-	-	18.6
Senegal	65.4	0.2	20.3	45.5	283.9	730.2	384.7	186.0	229.5	757.6	2,703.1
Sierra Leone	-	-	-	3.0	-	1.2	3.1	-	-	44.3	51.6
Somalia	-	-	-	-	0.7	-	-	1.7	-	-	2.3
South Sudan	-	-	-	-	-	-	-	-	-	-	0.0
Sudan	12.1	19.4	2.0	9.3	-	10.1	-	-	3.8	0.1	56.9
Tanzania	26.3	193.9	36.3	307.3	23.2	184.4	28.4	1,042.6	192.4	316.5	2,351.4
Togo	-	-	-	0.4	1.2	-	0.9	-	0.5	170.2	173.3
Uganda	7.0	-	-	159.6	1.0	2.9	247.9	29.4	120.6	1.2	569.6
Zambia	30.7	209.0	81.8	108.5	42.7	29.9	305.6	2.0	4.8	23.2	838.2
Zimbabwe	-	14.8	2.1	0.5	-	0.6	-	-	0.9	0.6	19.4
Americas	96.1	2.0	95.5	2.8	39.7	15.1	34.1	0.6	14.8	279.9	580.4
Dominica	-	-	-	-	-	-	-	-	-	-	0.0
Grenada	-	-	-	-	-	-	-	-	-	-	0.0
Guyana	-	-	-	-	-	-	-	-	1.5	224.0	225.4
Haiti	-	-	-	-	-	-	-	-	-	-	0.0
Honduras	88.4	2.0	73.8	2.2	11.8	9.3	33.9	0.6	12.9	52.0	286.9
Nicaragua	-	-	0.7	0.5	27.9	-	0.1	-	0.4	0.8	30.4
Saint Lucia	-	-	-	-	-	-	-	-	-	3.2	3.2
Saint Vincent and the Grenadines	7.7	-	21.0	-	-	5.8	-	-	-	-	34.5
Asia	892.1	208.0	495.0	838.2	951.6	1,497.3	1,718.5	1,522.7	1,077.1	866.5	10,067.0
Afghanistan	-	-	-	-	-	-	3.4	-	-	-	3.4
Bangladesh	739.5	-	211.3	775.7	138.2	392.4	453.7	1,150.7	387.4	197.6	4,446.6
Bhutan	-	-	-	-	-	-	-	-	-	-	0.0
Cambodia	-	-	-	8.5	1.5	0.5	0.2	0.1	-	5.9	16.7
Kyrgyzstan	0.5	-	-	-	-	-	-	-	-	1.9	2.4
Lao People's Democratic Republic	-	63.3	63.9	-	27.8	320.0	-	-	-	-	474.9
Maldives	6.9	5.9	4.5	-	4.4	-	-	-	0.6	-	22.3
Myanmar	2.0	-	100.5	8.6	2.5	-	2.5	1.1	-	-	117.3
Nepal	-	1.4	-	-	-	-	3.1	-	-	-	4.5
Syrian Arab Republic	-	-	-	-	-	-	-	-	-	-	0.0
Tajikistan	-	5.0	-	-	-	-	0.2	4.8	-	2.6	12.5
Timor-Leste	-	-	-	-	-	-	-	-	-	-	0.0
Uzbekistan	141.4	127.3	114.8	45.4	777.1	784.3	1,255.4	366.1	689.1	658.4	4,959.3
Yemen	1.7	5.2	-	-	-	-	-	-	-	-	6.9
Europe	0.2	0.4	17.1	0.0	0.5	0.0	30.9	62.5	0.8	0.9	113.3
Kosovo *	-	-	17.0	-	-	-	30.9	62.5	0.8	0.8	112.0
Moldova	0.2	0.4	0.1	-	0.5	-	-	-	-	0.1	1.4
Oceania	0.0	0.0	50.9	0.0	0.0	67.6	0.0	0.0	1.8	0.0	120.3
Kiribati	-	-	-	-	-	-	-	-	-	-	0.0
Marshall Islands	-	-	-	-	-	-	-	-	-	-	0.0
Micronesia	-	-	-	-	-	-	-	-	-	-	0.0
Papua New Guinea	-	-	50.9	-	-	67.6	-	-	1.8	-	120.3
Samoa	-	-	-	-	-	-	-	-	-	-	0.0
Solomon Islands	-	-	-	-	-	-	-	-	-	-	0.0
Tonga	-	-	-	-	-	-	-	-	-	-	0.0
Tuvalu	-	-	-	-	-	-	-	-	-	-	0.0
Vanuatu	-	-	-	-	-	-	-	-	-	-	0.0
Total	2,055.2	3,225.4	1,504.3	3,989.4	4,709.1	3,533.4	12,251.7	5,191.4	5,523.2	4,335.8	46,318.9

* This designation is without prejudice to positions on status, and is in line with United Nations Security Council Resolution 1244/99 and the Advisory Opinion of the International Court of Justice on Kosovo's declaration of independence.

**Table 3b - Official export credits to countries covered by the Recommendation by country
(number of transactions)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
Africa	65	76	81	117	110	109	119	133	205	118	1,133
Benin	-	6	2	2	2	2	1	7	6	5	33
Burkina Faso	3	-	2	1	2	-	4	2	6	4	24
Burundi	-	-	-	-	-	-	-	-	-	-	0
Cabo Verde	1	-	-	-	-	1	-	1	2	-	5
Cameron	-	2	2	7	5	6	5	6	11	7	51
Central African Republic	-	-	-	-	-	-	-	-	-	-	0
Chad	-	-	-	1	-	-	-	-	-	-	1
Comoros	-	-	-	-	-	-	-	-	-	-	0
Congo	-	-	2	3	-	2	-	-	1	3	11
Democratic Republic of the Congo	1	1	2	1	1	1	2	5	9	1	24
Côte d'Ivoire	-	2	4	10	7	10	16	16	31	8	104
Djibouti	1	1	-	-	1	-	1	-	-	1	5
Eritrea	-	-	-	-	-	-	-	-	-	-	0
Ethiopia	2	7	1	-	8	1	1	3	2	3	28
Gambia	-	-	-	-	-	-	-	-	-	-	0
Ghana	26	17	22	20	18	28	17	28	52	29	257
Guinea	-	-	-	-	2	2	3	5	2	5	19
Guinea-Bissau	-	-	-	-	-	-	-	-	-	-	0
Kenya	10	17	24	26	17	9	10	17	35	8	173
Lesotho	-	1	-	1	-	-	-	-	-	-	2
Liberia	-	-	-	-	-	1	-	1	-	1	3
Madagascar	1	-	-	1	1	1	-	1	-	2	7
Malawi	-	-	-	1	-	-	-	-	2	-	3
Mali	1	-	-	12	12	7	14	5	15	1	67
Mauritania	-	-	-	1	-	-	-	1	-	1	3
Mozambique	1	3	3	-	3	2	8	1	1	3	25
Niger	-	-	2	1	-	-	-	-	1	-	4
Rwanda	2	2	-	-	7	3	-	-	1	1	16
Sao Tome and Principe	-	-	-	-	-	-	-	1	-	-	1
Senegal	1	1	1	7	6	7	13	6	5	10	57
Sierra Leone	-	-	-	1	-	2	1	-	-	2	6
Somalia	-	-	-	-	1	-	-	1	-	-	2
South Sudan	-	-	-	-	-	-	-	-	-	-	0
Sudan	2	3	1	3	-	1	-	-	2	1	13
Tanzania	5	6	8	7	8	12	9	15	9	12	91
Togo	-	-	-	2	1	-	1	-	2	3	9
Uganda	3	-	-	3	1	2	4	9	7	4	33
Zambia	5	6	3	5	7	8	9	2	1	2	48
Zimbabwe	-	1	2	1	-	1	-	-	2	1	8
Americas	6.0	1.0	12.0	6.0	9.0	5.0	6.0	1.0	7.0	9.0	62.0
Dominica	-	-	-	-	-	-	-	-	-	-	0
Grenada	-	-	-	-	-	-	-	-	-	-	0
Guyana	-	-	-	-	-	-	-	-	1	4	5
Haiti	-	-	-	-	-	-	-	-	-	-	0
Honduras	3	1	9	5	5	4	5	1	4	1	38
Nicaragua	-	-	2	1	4	-	1	-	2	3	13
Saint Lucia	-	-	-	-	-	-	-	-	-	1	1
Saint Vincent and the Grenadines	3	-	1	-	-	1	-	-	-	-	5
Asia	36	26	31	39	48	59	90	75	55	66	525
Afghanistan	-	-	-	-	-	-	1	-	-	-	1
Bangladesh	7	-	6	16	9	15	14	7	13	12	99
Bhutan	-	-	-	-	-	-	-	-	-	-	0
Cambodia	-	-	-	2	3	3	2	1	-	3	14
Kyrgyzstan	1	-	-	-	-	-	-	-	-	1	2
Lao People's Democratic Republic	-	2	2	-	1	6	-	-	-	-	11
Maldives	1	2	1	-	1	-	-	-	1	-	6
Myanmar	1	-	4	3	2	-	3	2	-	-	15
Nepal	-	1	-	-	-	-	2	-	-	-	3
Syrian Arab Republic	-	-	-	-	-	-	-	-	-	-	0
Tajikistan	-	1	-	-	-	-	1	2	-	1	5
Timor-Leste	-	-	-	-	-	-	-	-	-	-	0
Uzbekistan	25	19	18	18	32	35	67	63	41	49	367
Yemen	1	1	-	-	-	-	-	-	-	-	2
Europe	1	1	3	0	1	0	1	5	2	4	18
Kosovo *	-	-	2	-	-	-	1	5	2	2	12
Moldova	1	1	1	-	1	-	-	-	-	2	6
Oceania	0	0	1	0	0	1	0	0	1	0	3
Kiribati	-	-	-	-	-	-	-	-	-	-	0
Marshall Islands	-	-	-	-	-	-	-	-	-	-	0
Micronesia	-	-	-	-	-	-	-	-	-	-	0
Papua New Guinea	-	-	1	-	-	1	-	-	1	-	3
Samoa	-	-	-	-	-	-	-	-	-	-	0
Solomon Islands	-	-	-	-	-	-	-	-	-	-	0
Tonga	-	-	-	-	-	-	-	-	-	-	0
Tuvalu	-	-	-	-	-	-	-	-	-	-	0
Vanuatu	-	-	-	-	-	-	-	-	-	-	0
Total	108	104	128	162	168	174	216	214	270	197	1,741

22. On the whole **Charts 3a** and **3b** show that of the countries covered by the Recommendation, middle income countries are more important than low-income countries, certainly in terms of the number of transactions supported, but also in terms of credit value (especially if the unusually large projects in Mozambique are not taken into consideration). Moreover, business with middle income countries increased during the last ten years while business to low-income countries was stable at a relatively low level (again, when the large projects in Mozambique are excluded from consideration).

23. A final observation on the general nature of official export credits to countries covered by the Recommendation is related to the type of risk that Adherents take when supporting transactions in these countries.

24. Of course, truly private-risk transactions do not give rise to concerns about potential negative impacts on a country’s debt sustainability, and for this reason they are not subject to the Recommendation. However, with the boundary between truly private and public transactions not always being clear in some lower-income countries, the volume of business involving private risk cannot be completely ignored.

Chart 3a – Official Export Credits to countries covered by the Recommendation by income level (USD millions)

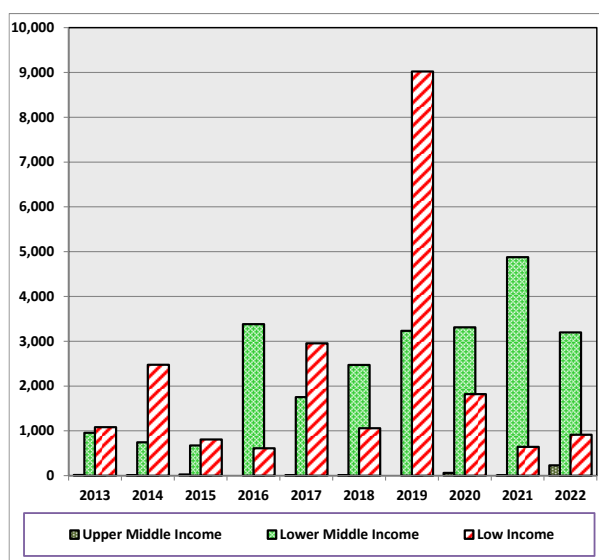
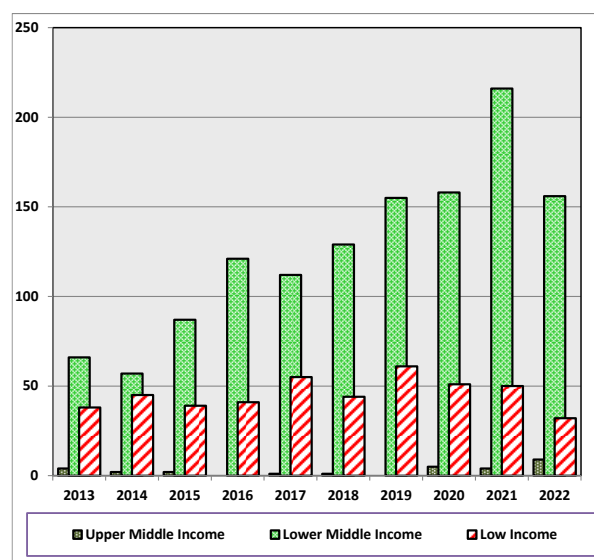


Chart 3b – Official Export Credits to countries covered by the Recommendation by income level (number of transactions)



25. As shown in **Charts 4a** and **4b**⁷, although the lion’s share of official export credits provided between 2013 and 2022 (in terms of credit value) involved public sector risk, private risk transactions were more numerous. This implies that public sector transactions (which have the potential to directly impact debt sustainability) were larger than private-risk transactions. More specifically, the average size of a public-risk transaction supported between 2013 and was USD 55 million, whereas the average size of a private-risk transaction was only USD 14.6 million.

⁷ In order to show a truer picture of the composition of risk taken, the more than USD 8 billion mega-project in Mozambique involving a private special purpose company obligor has been excluded from Tables 4a and 4b.

Chart 4a – Official Export Credits to countries covered by the Recommendation by type of risk (USD millions)

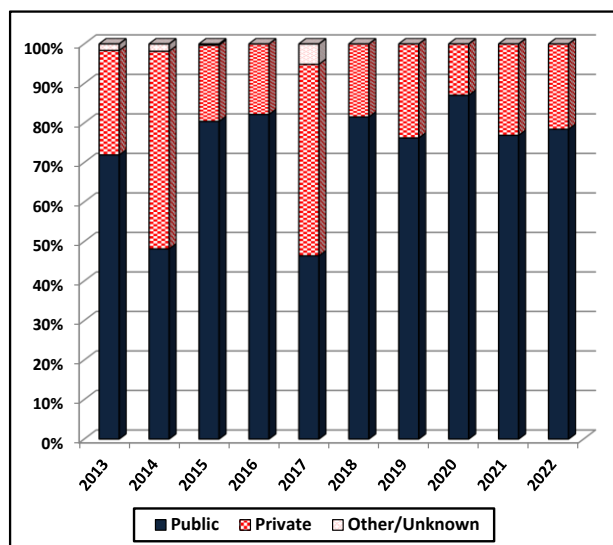
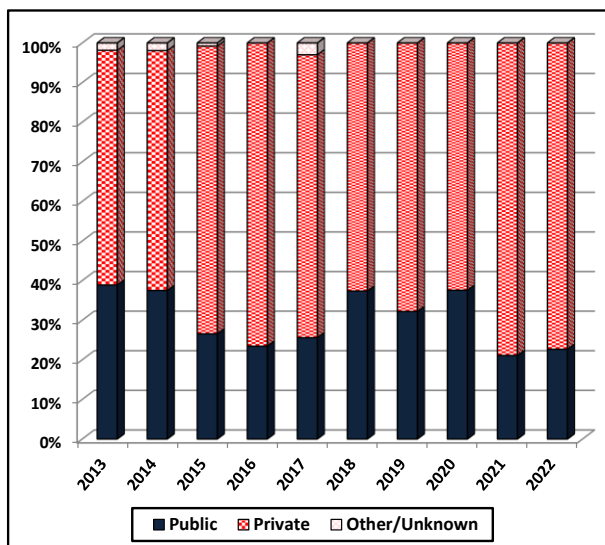


Chart 4b – Official Export Credits to countries covered by the Recommendation by type of risk (number of transactions)



5.2. Trends in the credit value and number of projects supported for transactions covered by the Recommendation

26. **Charts 5a and 5b** show that the absolute volume of official export credit transactions covered by the Recommendation (*i.e.*, involving non-concessional export credits to public sector obligors or guarantors) between 2017 and 2022 was relatively high in terms of credit value, but low in terms of the number of transactions supported (reflecting the shares of public risk business shown in Tables 4a and 4b above). In total, this business represented 7.5% of the total business that was supported between 2017 and 2022 by credit value, and 3.5% by number of transactions. Although the volume of this business grew between 2017 and 2020, the last two years of the period registered decreases.

Chart 5a – Official export credits for transactions covered by the Recommendation (USD millions)

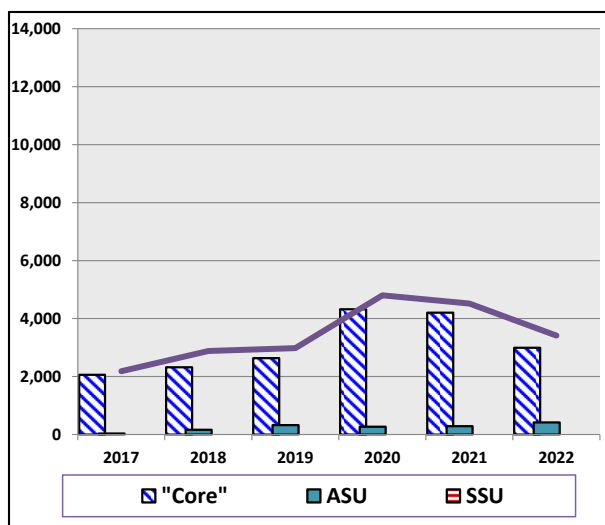
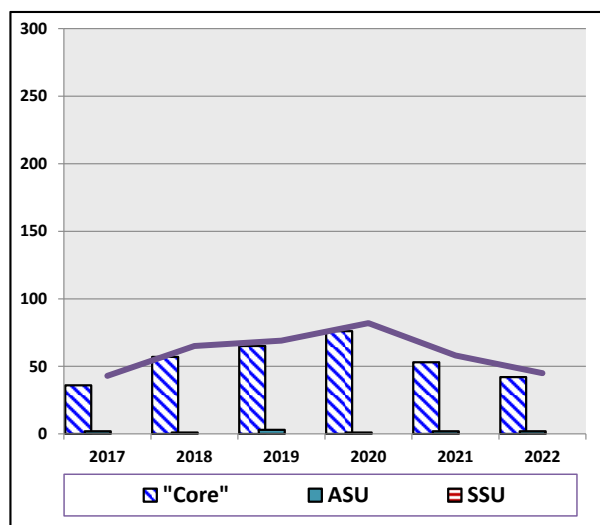


Chart 5b – Official export credits for transactions covered by the Recommendation (number of transactions)



6. Implementation of the specific provisions of the Recommendation

27. This section of the Report assesses Adherents' implementation of and experience with the specific provisions of the Recommendation. The provisions of the Recommendation comprise both "in principle" as well as concrete actions that should be taken regarding the provision of export credit support to lower income countries.

6.1. Basic "in principle" measure recommended: Section II(a)

28. Section II(a) sets out an overarching recommendation, which states that:

... when deciding to provide official export credits with a repayment term of one year or more to public obligors or publicly guaranteed obligors in lower income countries, Members and non-Members having adhered to this Recommendation (hereafter the "Adherents") take into account the results of the most recent IMF/World Bank country specific debt sustainability analyses (DSAs) conducted within the joint Debt Sustainability Framework, and review the relevant programme or policy documents in relation to each transaction under consideration for support. The IMF's debt limits for specific countries are included in the programme documents, and the Memorandum of Understanding in those documents sometimes also include reference to specific projects for which non-concessional borrowing is allowed.

6.1.1. Information from the Survey regarding Section II(a)

29. The vast majority of Adherents (25) reported that their export credit agencies (ECAs) have specific procedures or policies to ensure that the results of the most recent debt sustainability analyses (DSAs) and relevant programmes or policy documents are taken into account when support for a transaction covered by the Recommendation are being considered. Five Adherents (Estonia, Greece, Latvia, Mexico and Poland) indicated that their ECAs did not have specific procedures and Luxembourg indicated that this issue was not applicable to them.⁸

30. Of the 25 Adherents that have established procedures in this area, most indicated that their ECAs employ specific screening tools or processes when considering applications for support in countries covered by the Recommendation. For example:

- **Belgium** (Credendo) indicated that their in-house country risk models integrated the most recent IMF/World Bank data and that when support for transactions in countries with debt sustainability issues was considered, the advice of the World Bank is sought in order to assess the potential impact on the country's DSA.
- **Canada** (EDC) uses an internal corporate tool to screen transactions at origination, whereby a "Sustainable Lending" flag is applied to relevant transactions. Flagged transactions are examined by country risk analysts who provide advice regarding applicable provisions and restrictions.
- **Denmark** (EIFO) flags transactions involving all relevant countries and underwriters are notified to contact country risk experts regarding the measures that should be taken under the Recommendation.

⁸ For the purposes of the Survey, such answers are treated as a negative response (e.g., it is assumed that Luxembourg has not established procedures in respect of Section II(a) of the Recommendation).

- **France**⁹ systematically consults the latest DSAs as well as any programme or policy documents provided by the World Bank/IMF for transactions covered by Recommendation.

31. With respect to who is tasked with obtaining the relevant information from the World Bank/IMF, it is necessary to examine policies by ECA rather than by Respondent, due to the fact that the policies of the two ECAs in the Czech Republic (hereafter “Czechia”), Japan and Korea are not harmonised. Of the 28 ECAs from the 25 Adherents who have specific procedures or policies in this area:

- 15 ECAs only rely on their country risk experts to obtain the relevant information.
- Six ECAs leave this task to their loan officers/underwriters.
- Four ECAs place this responsibility with both their country risk experts as well as their loan officers/underwriters (with one indicating that responsible ministries are also involved).
- Three ECAs do not make use of country risk experts or loan officers/underwriters:
 - **Slovak Republic** (EXIMBANKA) reported that the International Relations Department was responsible for obtaining DSAs and informing other departments as necessary.
 - **Switzerland** (SERV) indicated that the responsibility lay with the Senior Vice Presidents of the Sustainability of Risk Analysis and Sustainability Division.
 - The **United Kingdom** (UKEF) answered that the responsibility was predominantly with the Foreign, Commonwealth and Development Office (FCDO).

32. In addition to policies and procedures aimed at ensuring that relevant information is brought to bear when considering the provision of support, 15 ECAs of the 28 ECAs (from the 25 Adherents)¹⁰ who have specific procedures or policies in this area have also implemented specific procedures or policies regarding the application of information obtained. Examples of such policies include:

- **France** includes a requirement to comply with a country’s DSA in its preliminary commitment¹¹ if the country has high risk of debt distress, or if there is a debt limit or non-concessional borrowing policy. Thereafter, before proving a final commitment, a check is made to verify that the transaction effectively complies with the country’s DSA.
- **Finland** (FINNVERA) inputs the information in their information management system which is integrated into their decision-making process.

⁹ France provided responses that cover the practices of BPIFRANCE, as well as the Direction Générale du Trésor for the direct loans that it provides.

¹⁰ As was the case in respect of who is tasked with obtaining the relevant information from the World Bank and IMF, it is necessary to examine policies by ECA rather than by Respondent, in this instance due to the fact that the policies of the two ECAs in the Czechia and Japan are not harmonised.

¹¹ ECAs often provide preliminary indications that a transaction is generally eligible to be supported (*e.g.*, the ECA is open to provide cover for the country in question), usually under certain conditions and subject to a detailed review of the transaction. Such conditions might include the stipulation that the transaction must be in conformity with the Recommendation.

- The **United States** (USEXIM) communicates information in the DSAs or other documents (that are relevant to a specific transaction for which USEXIM has received an application) to USEXIM’s management and Board of Directors so it is taken into account in their decision-making process.

33. Notwithstanding the fact that a majority of Adherents have implemented formal policies and practices in this area, three Adherents considered that the Recommendation does not provide any insight as to how “taking account of the DSA” for a country without any borrowing limits should be achieved, and that practical advice from the World Bank and IMF on this topic would be welcomed.

34. Concerning the lines of communication between Adherents and the World Bank and IMF, just over half (16 of 28 ECAs from 16 Adherents) reported that they had been in contact with these institutions with questions about, or seeking guidance on, a country’s DSA or relevant programmes in connection with a transaction for which support was being considered. Regarding these communications, no Respondent mentioned any particular problem with obtaining an appropriate response.

6.1.2. Information from individual transactions reporting

35. As shown in **Tables 4a** and **4b**, the recommendation to take into account the results of the most recent DSAs and to review the relevant programme or policy documents applied to 340 transactions (with a credit value USD 20 billion) that were supported by Adherents between 2017 and 2022. On the whole, only 19 out of 35 Adherents provided support for any transaction covered in any way by the Recommendation (or the 2016 Guiding Principles that were in place prior to the Recommendation).

6.1.3. Assessment of Adherents’ implementation of Section II(a)

36. Based on the information provided by Adherents in the Survey and the data on individual transactions supported, the following observations would seem to be pertinent in assessing Adherents’ implementation of Section II. (a) of the Recommendation:

- The vast majority of Adherents report having implemented specific procedures and policies to ensure that the DSAs and relevant programmes or policy documents are taken into account when deciding whether or not to provide support for a transaction covered by the Recommendation.
- Most Adherents have also put into place specific policies regarding how the information obtained from DSAs and other relevant programme or policy documents are applied.
- Although information about the specific transactions supported does not by itself provide any insight regarding Adherents’ implementation of Section II(a), it is interesting to note that:
 - Of the 19 Adherents that have provided support for transactions covered by the Recommendation, 13 have both (1) formal policies and procedures aimed at ensuring that relevant information is available when considering the provision of support, as well as (2) specific procedures or policies regarding the application of information obtained. Ten of these 13 Adherents communicated with the World Bank or IMF to obtain guidance or additional information related to the DSAs or other relevant programme or policy documents.

- None of the six Adherents that reported having no established procedures in place provided any support for transactions that were subject to the scope of the Recommendation.

37. Based on these observations, it would seem reasonable to conclude that Adherents have fully and successfully implemented Section II(a) of the Recommendation. Nonetheless, the provision may benefit from more clarity as to how Adherents are expected to take into account DSAs.

Table 4a - Official export credits covered by the Recommendation by Adherent (credit value)

Providing Country	2017	2018	2019	2020	2021	2022	Total
Australia	-	-	-	-	-	-	0.0
Austria	-	97.9	28.1	44.9	24.6	186.8	382.4
Belgium	180.8	104.7	145.4	207.8	519.8	66.8	1,225.1
Canada	-	86.0	149.6	-	18.7	-	254.3
Colombia	-	-	-	-	-	-	0.0
Czech Republic	27.8	157.0	3.6	176.7	-	-	365.1
Denmark	275.8	-	24.5	992.9	333.8	-	1,626.9
Estonia	-	-	-	-	-	-	0.0
Finland	-	-	-	-	-	-	0.0
France	32.0	720.3	529.7	269.9	687.2	959.9	3,198.9
Germany	32.1	32.6	275.5	270.9	420.5	43.0	1,074.6
Greece	-	-	-	-	-	-	0.0
Hungary	-	-	9.9	-	-	-	9.9
Ireland	-	-	-	-	-	-	0.0
Israel	-	-	-	-	-	-	0.0
Italy	928.4	213.8	144.9	110.3	357.1	-	1,754.4
Japan	-	646.7	71.8	1,009.7	-	-	1,728.2
Korea	23.5	12.5	607.1	167.1	0.2	358.6	1,169.0
Latvia	-	-	-	-	-	-	0.0
Lithuania	-	-	-	-	-	-	0.0
Luxembourg	-	-	-	-	-	-	0.0
Mexico	-	-	-	-	-	-	0.0
Netherlands	34.0	148.6	-	141.1	27.0	31.7	382.3
New Zealand	-	-	-	-	-	-	0.0
Norway	61.1	-	-	-	13.6	-	74.7
Poland	-	-	-	-	-	-	0.0
Portugal	-	-	-	-	-	-	0.0
Slovak Republic	-	-	-	-	-	-	0.0
Slovenia	-	-	-	-	-	-	0.0
Spain	6.6	63.8	-	62.1	134.0	239.2	505.7
Sweden	95.5	33.1	-	-	998.4	196.6	1,323.6
Switzerland	58.6	58.6	166.9	32.1	67.4	366.0	749.5
Türkiye	259.5	-	14.7	8.7	8.7	23.8	315.4
United Kingdom	77.0	108.2	774.7	997.0	874.0	580.2	3,411.0
United States	-	4.7	14.3	100.9	4.7	354.8	479.5
TOTAL	2,092.6	2,488.3	2,960.7	4,592.0	4,489.6	3,407.4	20,030.5

**Table 4b - Official export credits covered by the Recommendation by Adherent
(number of transactions)**

Providing Country	2017	2018	2019	2020	2021	2022	Total
Australia	-	-	-	-	-	-	0
Austria	-	2	1	1	2	2	8
Belgium	3	7	7	3	7	2	29
Canada	-	1	1	-	1	-	3
Colombia	-	-	-	-	-	-	0
Czech Republic	1	2	1	3	-	-	7
Denmark	1	-	1	1	2	-	5
Estonia	-	-	-	-	-	-	0
Finland	-	-	-	-	-	-	0
France	2	9	9	6	8	11	45
Germany	8	6	17	5	6	4	46
Greece	-	-	-	-	-	-	0
Hungary	-	-	1	-	-	-	1
Ireland	-	-	-	-	-	-	0
Israel	-	-	-	-	-	-	0
Italy	4	3	4	8	3	-	22
Japan	-	1	1	1	-	-	3
Korea	6	10	10	21	1	6	54
Latvia	-	-	-	-	-	-	0
Lithuania	-	-	-	-	-	-	0
Luxembourg	-	-	-	-	-	-	0
Mexico	-	-	-	-	-	-	0
Netherlands	1	2	-	4	1	1	9
New Zealand	-	-	-	-	-	-	0
Norway	1	-	-	-	1	-	2
Poland	-	-	-	-	-	-	0
Portugal	-	-	-	-	-	-	0
Slovak Republic	-	-	-	-	-	-	0
Slovenia	-	-	-	-	-	-	0
Spain	2	5	-	5	1	3	16
Sweden	2	1	-	-	6	1	10
Switzerland	2	5	3	1	3	6	20
Türkiye	4	-	4	8	6	2	24
United Kingdom	1	3	6	8	6	4	28
United States	-	1	2	2	1	2	8
TOTAL	38	58	68	77	55	44	340

6.2. Concrete measures recommended: Sections II(b) and III

38. Section II(b) of the Recommendation sets out the concrete actions that Adherents should implement when they consider providing support for a transaction covered by the Recommendation, which entails that Adherents:

... take into account the prevailing limits on public sector non-concessional borrowing, according to the methodology applied by the World Bank and the International Monetary Fund, for a specific country for transactions involving public obligors or publicly guaranteed obligors in lower-income countries that are subject to debt limit conditionality for non-concessional borrowing under the Non-Concessional Borrowing Policy (NCBP).

39. Depending on the nature of the limits, Adherents should implement this provision in one of two ways based on the nature of the limit (*i.e.*, whether it is a zero or non-zero limit¹²).

6.2.1. Section II(b)i

40. In the case of a zero non-concessional borrowing limit, Adherents should:

... not provide support for official export credit transactions involving public obligors or publicly-guaranteed obligors in lower income countries that are subject to a zero limit on non-concessional borrowing under the DLP or the NCBP (recognising that, in rare circumstances, countries may be moved from a zero to a non-zero limit under IMF and World Bank policies following consultations between country authorities and IMF or World Bank staff, as well as subsequent management/board approvals from the respective institutions).

Information from the Survey regarding Section II(b)i

41. The vast majority of Adherents (25) have implemented specific procedures to ensure that no support is provided to countries with zero-limit on non-concessional borrowing (hereafter referred to as “*zero-limit countries*”). As was the case regarding the provision set out in Section II. (a), the same six Adherents (that did not provide any support for transactions that fell within the scope of the Recommendation) reported that they also did not have established procedures in place in relation to Section II(b)i.

42. The procedures reported by Adherents varied, ranging on one end from simply not even considering the provision of support when there is a zero non-concessional limit to considering transactions on a case-by-case basis and contacting the World Bank and IMF regarding the possibility of obtaining a (or making use of an existing) waiver for the transaction in question.

43. One of the most straightforward ways for an ECA to ensure that support is not provided when a zero-limit is in place is to build a restriction into its cover policy; this would entail indicating in published information that no support could be provided for public sector transactions with a repayment term of more than one year in such countries. Of the 25 Adherents that have measures in place, just over half (13) have integrated restrictions into their cover policies.

44. Another straightforward measure is to not even process applications for transactions that are subject to a zero non-concessional borrowing limit, and this practice has been adopted by 16 ECAs from 14 Adherents.

45. Other Adherents that neither integrate restrictions into their cover policy nor refrain from processing application generally take a case-by-case approach.

Information from individual transactions reporting

46. In principle, no transaction should have been reported that involved a public-sector obligor or guarantor in a country that was subject to a zero-limit on non-concessional borrowing. However, as shown in **Table 5**, XCR1 reporting shows that nine transactions with a credit value of just under USD 1.4 billion were supported in two countries

¹² Non-zero non-concessional borrowing limits come in different flavours; nominal, present value (for non-concessional and concessional borrowing combined), loan-by-loan exceptions, and other targeted limits (*e.g.*, limit on total public debt).

(Cameroon and Ethiopia) when, at the time of the commitment, zero non-concessional borrowing limits were in place.

Table 5 – Transactions supported in zero limit countries

Adherent	ECA	status	commitment date	XCR1 reference	destination country	obligor	type of NCB limit(s)	project	credit value range (SDR millions)
Canada	EDC	committed	05-Sep-19	XCR1-CAN-(70163)	Ethiopia	Ethiopian Airlines Enterprise (S.C.)	zero limit	sale of aircraft	80-120
Canada	EDC	committed	04-Feb-21	XCR1-CAN-(81860)	Ethiopia	Ethiopian Airlines Enterprise (S.C.)	zero limit	sale of aircraft	10-20
France	BPIFRANCE	committed	14-Sep-21	XCR1-FRA-(451583001)	Cameroon	Ministere de l'Economie, de la Planification et de l'Amenagement du Territoire	zero limit	Olembe Sports Complex	40-80
United Kingdom	UKEF	committed	29-Jun-21	XCR1-GBR-(20011369/20011547)	Cameroon	Ministry of Economy, Planning and Regional Development	zero limit	Magil-Douala Road	80-120
United Kingdom	UKEF	committed	06-Nov-20	XCR1-GBR-(20010187/20010188/20010189)	Ethiopia	Ethiopian Airlines Enterprise (S.C.)	zero limit	two Airbus A350-900 aircraft with Rolls Royce Aero engines	160-200
United Kingdom	UKEF	committed	03-Dec-21	XCR1-GBR-(20010190/20010624)	Ethiopia	Ethiopian Airlines Enterprise (S.C.)	zero limit	two Airbus A350-900 Aircraft with Rolls Royce Aero engines	160-200
United Kingdom	UKEF	committed	18-Nov-22	XCR1-GBR-(20010625)	Ethiopia	Ethiopian Airlines Enterprise (S.C.)	zero limit	one Airbus A350-900 Aircraft with Rolls Royce Aero engine	80-120
United States	US EXIM	committed	14-Apr-21	XCR1-USA-(727699)	Cameroon	Ministry of Economy, Planning and Regional Development (MINEPAT)	zero limit	Camwater	5-10
United States	US EXIM	committed	22-Dec-22	XCR1-USA-(AP089457XX)	Ethiopia	Ethiopian Airlines Enterprise (S.C.)	zero limit	six Boeing 737 Max 8 aircraft	200-240

47. As far as the Ethiopian transactions are concerned, all involved the sale of aircraft between 2019 and 2022 by Canada, the United Kingdom (reinsured by France and Germany) and the United States to Ethiopian Airlines Enterprise, which is wholly owned by the government of Ethiopia. During that time, Ethiopia was always subject to a zero non-concessional borrowing policy. Although the Recommendation does not include any carve-outs for asset-backed transactions, the likelihood that defaults involving asset-backed aircraft would have a negative impact on a country's debt sustainability is very low; in such cases involving international airlines, the asset would be seized in the case of default. In addition, a search of IMF publications for information on this topic yielded the following information from a 2019 Article IV Consultation Report¹³:

Ethiopian Airlines (EAL) meets the criteria for exclusion set out in the 2017 Staff Guidance Note on the Debt Sustainability Framework for Low-Income Countries (Appendix III) because it is run on commercial terms, has a sizeable profit margin (as reflected in audited accounts published annually), enjoys managerial independence, and borrows without government guarantee. On this basis, this DSA does not include the debt of EAL.

¹³ IMF(2019), The Federal Democratic Republic of Ethiopia: Staff Report for Article IV Consultation and Requests for a three-year arrangement under the extended credit facility and an arrangement under the extended Fund facility – Debt Sustainability Analysis, <https://www.imf.org/en/Publications/CR/Issues/2020/01/28/The-Federal-Democratic-Republic-of-Ethiopia-2019-Article-IV-Consultation-and-Requests-for-48987>.

48. On this basis, it is likely that the World Bank and IMF would provide (or have provided) waivers for these transactions.

49. As far as Cameroon is concerned, the country was not always subject to a zero non-concessional borrowing limit, however three transactions were supported between April and early September 2021, when a zero limit was in place:

- France provided support (USD 97.4 million) for the “*Olembe Sports Complex*”.
- The United Kingdom provided support (USD 163.2 million) for the “*Magil-Douala Road*”.
- The United States provided support (USD 4.7 million) for “*Water Treatment Facilities in Buea, Tiko, and Mutengene (Camwater)*”.

50. With a non-zero limit having been in place from the time that the Recommendation was adopted through 9 February 2021 (not long before the commitment dates of the transactions identified above), it is quite possible that a preliminary decision to provide support was provided for these transactions prior to the zero limit coming into force. It should also be noted that the zero non-concessional borrowing limit was replaced with a non-zero limit on 23 September 2021, which lasted until 28 February 2022.

51. Regarding the *Camwater* project, the United States provided an explanation of its decision to provide support in its survey response which illustrates the importance of good channels of communication between Adherents and the World Bank and IMF:

... in January 2021, USEXIM contacted the Lending to LICs mailboxes with questions and to inform the IMF and World Bank about a preliminary commitment (not a final commitment) for a water project and associated feasibility study it was considering supporting in Cameroon. USEXIM provided information about the terms and conditions for both the project and the study. Cameroon had previously been under an IMF program that had a zero limit on non-concessional borrowing, but had this specific feasibility study in the list for which the zero NCB ceiling could be adjusted. Given that the IMF program had expired when USEXIM contacted the IMF and World Bank, Cameroon was only subject to its commitments to the World Bank under its Sustainable Development Financing Policy (SDFP). The World Bank then confirmed that “Given that the rationale[e] that guided the IMF decision to exclude the project from zero NCB ceiling when IDA decided to adopt a similar debt ceiling has remained the same and the project or any other material aspects have not changed, the exception of this project from zero NCB ceiling stands under SDFP through the end of the fiscal year unless the prevailing context or the terms or purpose of the loan are adjusted.” EXIM then moved forward with its preliminary commitment process. The feasibility study reached final commitment within the fiscal year, and the water project has not yet been considered for a final commitment. If and when it is, EXIM will take into account any debt ceilings in place at the time.

52. Bearing the above in mind, including the detailed explanation provided by the United States, it is unlikely that the support provided was inconsistent with the recommendation in Section II(b)i; it rather highlights the operational challenges faced by Adherents to implement the Recommendation (e.g., how to treat transactions for which a preliminary commitment has been provided when the country’s non-concessional borrowing status changes from non-zero to zero).

Assessment of Adherents' implementation of Section II(b)i

53. On the basis of the Survey responses provided in the context of the information available on the transactions that were supported, it is reasonable to conclude that Adherents have successfully implemented the measures set out in Section II(b)i.

6.2.2. Section II(b)ii

54. When a non-zero limit on non-concessional borrowing exists, Adherents should:

seek assurances, on a best effort basis, from the appropriate government authorities in the debtor country that the project/expenditure is in accordance with the DLP or the NCBP for that country for official export credit transactions involving public obligors or publicly-guaranteed obligors in lower-income countries that are subject to a non-zero limit on non-concessional borrowing under the DLP or the NCBP with a credit value in excess of SDR 5 million (for very small countries with low national income levels of less than USD 1 billion, a threshold of SDR 1 million should be applied). In this regard, participation of the Ministry of Finance or central bank in a transaction as the obligor or guarantor would be sufficient evidence of this obligation having been met.

Information from the Survey regarding Section II(b)ii

55. Again, the same vast majority of Adherents (25) have implemented specific procedures to make sure that assurances are sought that the project is in accordance with World Bank and IMF debt policies for countries with non-zero limits on non-concessional borrowing. And again, the same six Adherents (that did not provide any support for transactions that fell within the scope of the Recommendation) reported that they also did not have established procedures in place in relation to Section II(b)ii.

56. With respect to who is charged with making sure that assurances are sought that the project is in accordance with World Bank and IMF debt policies, of the 25 Adherents that have specific procedures in place:

- Eleven have placed this responsibility solely with their ECAs' loan officers/underwriters.
- Five involve their loan officers/underwriters as well as their country risk experts in this process, and two of these five also involve others (e.g., government ministry officials).
- Three have assigned this responsibility to their ECAs' country risk experts.
- For six Adherents, neither the loan officers/underwriters nor country risk experts are involved.

57. In the event that assurances cannot be obtained, the majority of Adherents indicated that they could not provide support or that the transaction and others indicated that a case-by-case approach was taken.

Information from individual transactions reporting

58. Between 2017 and 2022, Adherents supported 70 transactions with a credit value of almost USD 6.2 billion that involved public sector obligors or guarantors in countries that were subject to non-zero debt limits. The non-zero limits took various forms; a nominal limit for non-concessional borrowing, a present value limit for concessional and non-

concessional borrowing combined, a combination of a nominal limit and a present value limit, or the possibility of loan-by-loan exceptions.

59. Of these 70 transactions, 67 involved the buyer country's Ministry of Finance as either obligor or guarantor, where the Recommendation specifically states that:

... participation of the Ministry of Finance or central bank in a transaction as the obligor or guarantor would be sufficient evidence of this obligation having been met.

60. On this basis alone, it is clear that Adherents have *de facto* implemented this provision in practice. Regarding the three transactions that did not involve the Ministry of Finance, all three were related to the maintenance or expansion of port facilities in Ghana (one by Belgium and two by the Netherlands) that involved non-sovereign, public obligors. Although no information is available regarding whether or not assurances were sought from appropriate government authorities, both Belgium and the Netherlands indicated in their Survey responses that support would not be provided if such assurances were not obtained.

Assessment of Adherents' implementation of Section II(b)ii

61. With the majority of Adherents having implemented specific policies and procedures in this area, and in view of the empirical evidence which shows that almost all transactions involving non-zero non-concessional borrowing limits involved the Ministry of Finance, it is reasonable to conclude that Adherents have successfully implemented Section II. (b)ii. of the Recommendation.

6.2.3. Section II(c)

62. The third concrete provision of the Recommendation is the first of two related to transparency. It recommends that Adherents inform the World Bank and IMF, prior to providing support for transaction covered by the Recommendation:

... so that the IMF and World Bank are aware of all potential public external debt obligations related to projects in lower-income countries to be supported by official export credits in countries before they are contracted, inform the IMF and World Bank via the "LendingtoLICs" mailbox, as soon as possible and in any event before the decision to provide support is finalised, of their intention to provide support for any official export credit transaction involving a public obligor or guarantor in a lower-income country that is subject to debt limits conditionality for non-concessional borrowing under the DLP or NCBP with a credit value in excess of SDR 5 million (for very small countries with low national income levels (less than USD 1 billion), a threshold of SDR 1 million should be applied), providing the level of detail necessary in order for the project to be identified and for the basic financial terms and conditions to be known.

63. As reflected in the above text, the operational parameters by which the recommendation in Section II(c) should be implemented are not specific;

- the notification should be made "as soon as possible",
- the information provided should contain "the level of detail necessary in order for the project to be identified and for the basic financial terms and conditions to be known", and
- potential outcomes or follow-up actions are not delineated.

64. Additionally, there is no requirement for the World Bank or IMF to respond when this information is provided, and the actions that are subsequently taken by Adherents are not prescribed. The underlying goal of the provision is to ensure that all parties are aware of transactions that have the potential to affect a country's debt sustainability and to facilitate – as needed -- communications between the World Bank and IMF with appropriate authorities in debtor countries regarding the non-concessional official export credit transactions that they are undertaking.

Information from the Survey regarding Section II(c)

65. Once again, the vast majority of Adherents (24) have specific policies to ensure that the World Bank and IMF are informed of the intention to support a transaction that is covered by the Recommendation. Seven Adherents (the six already mentioned and Portugal) that did not provide any support for transactions that were covered by the Recommendation reported that they did not have established procedures in place in relation to Section II(c).

66. With respect to how these policies are implemented in practice:

- For ten ECAs (from nine Adherents), the responsibility to inform the World Bank and IMF of potential transactions covered by the Recommendation lies solely with underwriters/loan officers.
- Seven ECAs/Adherents rely only on country risk experts to apply the recommendation in Section II(c).
- Six ECAs (from five Adherents) neither rely on underwriters/loan officers nor country risk experts; the responsible entities include the ECA's international relations department or another institution in the government to undertake this task.
- For three ECAs/Adherents, underwriters/loan officers or country risk experts share this responsibility with the ECA's international relations department.
- For one ECA/Adherent, this responsibility is shared amongst underwriters/loan officers, country risk experts and the legal department.

67. Of these 24 Adherents, 14 reported having informed the World Bank and IMF of transactions that they intended to support in connection with this provision. Belgium (Credendo) notified the most (12 transactions), with no other Respondent's ECA having communicated with the World Bank or IMF regarding more than 5 transactions. Almost all of the transactions notified involved projects in Sub-Saharan Africa (mainly Côte d'Ivoire, Ghana and Senegal).

68. As mentioned above, although the World Bank and IMF are not required, nor expected, to provide a response to all of these notifications, Adherents reported that in the last two years, replies were received over 60% of the time (however, some just in the form of a simple acknowledgement of having received the message).

Information from individual transactions reporting

69. The following tables provide details regarding the transactions covered by the Recommendation that were either reported *via* individual transaction reporting (using Form XCR1) or the Survey or by both individual transaction reporting and the Survey. In principle, every transaction that was identified as being subject to non-zero World Bank and IMF borrowing limits in the individual transactions database between 2017 and 2021 (the period covered by the Survey) should have been reported as having been notified in the Survey. From the opposite perspective, some transactions for which an intention to provide support was notified did not eventually go forward; this means that all notified transactions will not appear in the individual transactions database.

70. With respect to the transactions that were notified in connection with Section II(c), the Survey indicated that 93 transactions were notified by 15 Adherents during the 2017-2021 period. Of these, **Table 6** provides a list of the 33 transactions that were also reported *via* XCR1 as commitments. Of these 33 transactions, it appears that seven did not need to be notified:

- Three transactions associated with the Mozambique LNG mega-project had a private risk obligor or guarantor. However, as explained by one of the Adherents involved in the project, they considered that making a notification was appropriate, given that:
 - the Empresa Nacional de Hidrocarbonetos (ENH, a public company whose debt falls within the scope of public debt of Mozambique¹⁴) was a project sponsor, and
 - one of the risks of the project was ENH's ability to meet capital commitments, both in respect of equity as well as debt services undertakings (the latter being covered by a sovereign guarantee).
- Three transactions were not subject to any debt limits according to the information available regarding limits in place (or in this case, not in place) at the time of the commitment dates.
- One transaction was part of a concessional financing package.

71. In any event, the notification of a project that does not need to be notified is certainly not a problem in terms of implementing the Recommendation, and in some cases may be warranted (*e.g.*, for large complex projects whereby the public sector is involved as other than the obligor or guarantor in a transaction). Nonetheless, Adherents may wish to avoid the additional administrative burden associated with making unnecessary notifications in the future.

Table 6 – Notified transactions with a corresponding XCR1 submission

Adherent	ECA	date notified	should have been notified?	reason notification not needed	how long before commitment	status	WB / IMF response ?	commitment date	XCR1 reference	destination country	obligor	type of NCB limit(s)	project	credit value range (SDR)
Austria	OEKB	01-Mar-18	yes	--	13 days	committed	yes	14-Mar-18	XCR1-AUT-(2018-046-236.475_UVW 949)	Ghana	Ministry of Finance	non-zero limit	Austria - Ghana District Hospitals and Polyclinic 2018	40-80
Belgium	Credendo	14-Feb-17	yes	--	9 days	committed	no	02-Jun-17	XCR1-BEL-(99786)	Benin	unknown	loan-by-loan exception	Siafato Coast Protection Project	20-40
Belgium	Credendo	09-Nov-17	yes	--	notification after commitment date	committed	no	29-Jun-17	XCR1-BEL-(99546)	Cameroon	unknown	non-zero limit	Transport d'Electricité de Desserte et de Bouclage de la Ville de Yaoundé	10-20
Belgium	Credendo	30-Nov-17	yes	--	119 days	committed	no	26-Jan-18	XCR1-BEL-(99853)	Benin	unknown	present value limit	Coastal protection Works Avlékété et Djegbadji	80-120
Belgium	Credendo	25-Jan-18	yes	--	19 days	committed	no	13-Feb-18	XCR1-BEL-(99167)	Ghana	unknown	non-zero limit	Upper East Water Supply System Project	10-20
Belgium	Credendo	25-Jan-18	yes	--	31 months	committed	no	31-Jul-20	XCR1-BEL-(100216)	Ghana	unknown	non-zero limit	Elmina Fishing Port and Waterfront Development	40-80
Belgium	Credendo	13-Jul-18	yes	--	215 days	committed	no	13-Feb-19	XCR1-BEL-(101402)	Benin	unknown	no limit	Siafato Coastal Protection Works 2019	10-20
Belgium	Credendo	24-Jul-18	yes	--	11 days	committed	no	13-Feb-19	XCR1-BEL-(101402)	Benin	unknown	present value limit	Siafato Coastal Protection Works 2019	40-80
Belgium	Credendo	07-Mar-19	yes	--	27 months	committed	no	12-May-21	XCR1-BEL-(102020)	Côte d'Ivoire	unknown	present value limit	Commune d'Abobo Drinking Water Project 2023	20-40
Belgium	Credendo	07-Mar-19	yes	--	26 months	committed	no	26-Apr-21	XCR1-BEL-(101899)	Ghana	unknown	non-zero limit	City of Wenchai Drinking Water Supply	20-40
Belgium	Credendo	08-Mar-19	yes	--	26 months	committed	no	26-Apr-21	XCR1-BEL-(102058)	Côte d'Ivoire	unknown	present value limit	Côte d'Ivoire Drinking Water Supply Strengthening Project 2023	120-160

¹⁴ This was confirmed in the latest IMF program.

Table 6 (continued) – Notified transactions with a corresponding XCR1 submission

Adherent	ECA	date notified	should have been notified?	reason notification not needed	how long before commitment	status	WB / IMF response ?	commitment date	XCR1 reference	destination country	obligor	type of NCB limit(s)	project	credit value range (SDR)
Belgium	Credendo	29-Jul-19	yes	--	5 months	committed	no	12-Dec-19	XCR1-BEL-(102403)	Côte d'Ivoire	unknown	present value limit	450 gaz buses and ticketing system and warehouse for buses	40-80
Belgium	Credendo	28-Oct-19	yes	--	15 months	committed	no	29-Jan-21	XCR1-BEL-(102550)	Côte d'Ivoire	unknown	present value limit	Cité Administrative Tour F	120-160
Belgium	Credendo	01-Mar-21	yes	--	12 months	committed	yes	15-Feb-22	XCR1-BEL-(103647)	Burkina Faso	unknown	present value limit	Gaoua Hospital	40-80
Belgium	Credendo	01-Oct-21	yes	--	17 months	committed	yes	10-Feb-23	XCR1-BEL-(103842)	Senegal	unknown	limit on total public debt	Iveco Crossway buses + ticketing system + maintenance hall	120-160
Czechia	EGAP	01-Jan-18	yes	--	6 months	committed	yes	25-Jul-18	XCR1-CZE-(2018/07/107011125)	Côte d'Ivoire	Ministère des Finances	present value limit	delivery of 450 buses including installation of ticketing system, and for CNG filling system	40-80
Czechia	EGAP	01-Jun-19	yes	--	8 months	committed	no	11-Mar-20	XCR1-CZE-(2020/03/107011272)	Senegal	Ministry of Finance and Budget	non-zero limit	St. Louis and Matam Airport Modernisation Phase I	40-80
Finland	Finnvera	01-Jan-19	no	part of concessionarial package	10 months	committed	yes	16-Dec-20	XCR1-FIN-(BC259-18)	Ethiopia	Ministry of Finance and Economic Cooperation	--	weather observation and weather forecast production systems and services	5-10
Germany	Euler Hermes	01-Apr-18	no	no debt limits	9 months	committed	no	10-Jan-19	XCR1-DEU-(2019-60008)	Senegal	Ministry of Finance and Budget	--	electricity distribution	80-120
Germany	Euler Hermes	01-Nov-18	yes	--	1 month	committed	no	21-Dec-20	XCR1-DEU-(2020-65194a), XCR1-DEU-(2020-65194b)	Côte d'Ivoire	Ministère de l'Economie et des Finances	present value limit	transportation - road infra	80-120
Italy	SACE	01-Oct-18	yes	--	3-4 weeks	committed	unknown	22-Oct-18	XCR1-ITA-(2018/0864/00)	Ghana	Ministry of Finance	non-zero limit	4 hospitals in Ghana	20-40
Italy	SACE	01-Feb-19	yes	--	3-4 weeks	committed	no	19-Mar-19	XCR1-ITA-(2019/0016/00)	Ghana	Ministry of Finance	non-zero limit	Keta Water Supply System Expansion and Rehabilitation	40-80
Italy	SACE	01-Sep-19	no	private risk obligor / guarantor	3-4 weeks	committed	yes	30-Sep-19	XCR1-ITA-(2016/0703/00)	Mozambique	MOZ LNG1 Financing Company Ltd.	--	Mozambique Offshore Area 1 Project	760-800
Italy	SACE	01-Apr-21	no	no debt limits	1 month	committed	yes	03-May-21	XCR1-ITA-(2021/0703/00)	Côte d'Ivoire	Ministry of Economy and Finance	--	poultry industry	40-80
Italy	SACE	notified (date not provided)	yes	--	unknown	committed	unknown	25-Jul-17	XCR1-ITA-(2017/0194/00)	Ethiopia	Ministry of Finance	non-zero limit	Koysha Hydro Dam	320-360
Sweden	EKN	01-Dec-20	no	no debt limits	3 months	committed	no	29-Oct-21	XCR1-SWE-(2018-10706-1-1)	Côte d'Ivoire	Ministry of Finance	--	450 city buses and BRT infrastructure	80-120
Switzerland	SERV	01-Dec-20	yes	--	33 months	committed	yes	25-Aug-23	XCR1-CHE-(2314105)	Côte d'Ivoire	unknown	present value limit	water supply infrastructure	80-120
Switzerland	SERV	notified (date not provided)	yes	--	unknown	committed	unknown	06-Sep-17	XCR1-CHE-(1710280)	Ethiopia	Ministry of Finance & Economic Development	non-zero limit	Awash-Weldia Railway Phase II	40-80
United Kingdom	UKEF	01-Jun-19	yes	--	6 months	committed	yes	27-Nov-19	XCR1-GBR-(200008166,569)	Uganda	Ministry of Finance, Planning and Economic Development	loan-by-loan exception	Namanve Industrial Park	160-200
United Kingdom	UKEF	01-Apr-20	no	private risk obligor / guarantor	3 months	committed	yes	15-Jul-20	XCR1-GBR-(2020-1100526,1110367)	Mozambique	MOZ LNG1 Financing Company Ltd.	--	Mozambique Offshore Area 1 Project	800-840
United States	US EXIM	1-Sep-18	yes	--	8 months	committed	no	16-May-19	XCR1-USA-(AP686204XX), XCR1-USA-(AP089254XX)	Cameroon	Ministry of Economy, Planning, and Regional	non-zero limit	CamRail	10-20
United States	US EXIM	1-Aug-19	no	private risk obligor / guarantor	2 months	committed	yes	26-Sep-19	XCR1-USA-(AP087889XX)	Mozambique	MOZ LNG1 Financing Company Ltd.	--	Mozambique Offshore Area 1 Project	>= 1.32 billion
United States	US EXIM	1-Feb-21	yes	--	notification after commitment date	committed	yes	25-Mar-20	XCR1-USA-(AP0700317XX)	Senegal	Ministry of Finance and Budget	non-zero limit	Senegal National Electricity Agency Rural Electrification Project	40-80

72. **Table 7** provides a list of 36 transactions that were notified, but that (according to the information provided by Adherents) did not eventually go forward. Of these, it appears

that ten did not need to be notified because the country was not subject to any debt limits at the time of notification.

73. Although there is no information available regarding whether or not the communication between the Adherents' ECAs and the World Bank and IMF played any role in the final disposition of these transactions, the fact that such communications have taken place can only be viewed as a positive sign regarding the successful implementation by Adherents of Section II(c).

Table 7 – Notified transaction that did not go forward

Adherent	ECA	date notified	should have been notified?	reason notification not needed	how long before commitment	status	WB / IMF response ?	commitment date	XCR1 reference	destination country	obligor	type of NCB limit(s)	project	credit value range (SDR)
Belgium	Credendo	17-Jul-17	no	no debt limits	--	did not go forward	no	--	--	Kenya	unknown	--	Kitale drinking water	40-80
Belgium	Credendo	17-Jul-17	yes	--	--	did not go forward	no	--	--	Benin	unknown	present value limit	water meters with pipes, valves, accessories and building of two storage	40-80
Belgium	Credendo	14-Sep-17	no	no debt limits	--	did not go forward	yes	--	--	Senegal	unknown	--	2000 minibuses Daka	20-40
Belgium	Credendo	18-Dec-17	yes	--	--	did not go forward	no	--	--	Côte d'Ivoire	unknown	present value limit	dredging and reclamation Blétry Bay	20-40
Belgium	Credendo	05-Jan-18	yes	--	--	did not go forward	no	--	--	Burkina Faso	unknown	loan-by-loan exception	construction and the supply of equipment of a hospital	80-120
Belgium	Credendo	29-Jan-18	yes	--	--	did not go forward	no	--	--	Cameroon	unknown	non-zero limit	Delivery of 600 construction vehicles and supply related services	80-120
Belgium	Credendo	23-Jul-18	no	no debt limits	--	did not go forward	no	--	--	Kenya	unknown	--	construction and the supply of equipment of Kamumu dam	160-200
Belgium	Credendo	23-Jul-18	yes	--	--	did not go forward	no	--	--	Burkina Faso	unknown	non-zero limit	solar wells in rural areas and solar street lights in Ougadougou and Bobo-Dioulasso	40-80
Belgium	Credendo	30-Apr-19	yes	--	--	did not go forward	no	--	--	Côte d'Ivoire	unknown	present value limit	Extension of the "Qual Mineraller" in the port of Abidjan	80-120
Belgium	Credendo	24-May-19	yes	--	--	did not go forward	no	--	--	Benin	unknown	present value limit	Drinking water supply system for 8 localities	80-120
Belgium	Credendo	23-Sep-19	yes	--	--	did not go forward	no	--	--	Benin	unknown	present value limit	50km road between Quidah, Kpomassé, Dékanmé, Avapka and Allada	40-80
Belgium	Credendo	01-Mar-20	no	no debt limits	--	did not go forward	yes	--	--	Ghana	unknown	--	Tarkwa Water Project	40-80
Belgium	Credendo	01-Mar-20	yes	--	--	did not go forward	yes	--	--	Benin	unknown	present value limit	Centre Maritime du Port de Cotonou	40-80
Belgium	Credendo	01-Sep-20	yes	--	--	did not go forward	no	--	--	Côte d'Ivoire	unknown	present value limit	Ambulances Abidjan	10-20
Belgium	Credendo	01-Mar-21	no	no debt limits	--	did not go forward	yes	--	--	Ghana	unknown	--	Berekum Water Supply Project	40-80
Belgium	Credendo	01-Jun-21	yes	--	--	did not go forward	yes	--	--	Cameroon	unknown	zero limit	Renovation and extension hospital Yaoundé	40-80
Belgium	Credendo	01-Jun-21	no	no debt limits	--	did not go forward	yes	--	--	Benin	unknown	no limit	Coastal protection works	80-120
Belgium	Credendo	01-Jun-21	no	no debt limits	--	did not go forward	yes	--	--	Ghana	unknown	--	Water supply	40-80
Belgium	Credendo	01-Jul-21	yes	--	--	did not go forward	no	--	--	Burkina Faso	unknown	present value limit	rural electrification	40-80

Table 7 (continued) – Notified transaction that did not go forward

Adherent	ECA	date notified	should have been notified?	reason notification not needed	how long before commitment	status	WB / IMF response ?	commitment date	XCR1 reference	destination country	obligor	type of NCB limit(s)	project	credit value range (SDR)
Canada	EDC	01-May-18	yes	--	--	did not go forward	no	--	--	Cameroon	unknown	non-zero limit	transportation-rail	10-20
Canada	EDC	01-May-18	no	no debt limits	--	did not go forward	no	--	--	Kenya	unknown	--	electricity distribution	10-20
Canada	EDC	01-Jan-20	yes	--	--	did not go forward	No	--	--	Senegal	unknown	non-zero limit	transportation	120-160
Canada	EDC	01-Dec-20	yes	--	--	did not go forward	yes	--	--	Benin	unknown	loan-by-loan exception	transportation-infra	40-80
Canada	EDC	01-Feb-21	yes	--	--	did not go forward	yes	--	--	Papua New Guinea	unknown	non-zero limit	transportation	not provided
Canada	EDC	44256	no	no debt limits	--	did not go forward	no	--	--	Ghana	unknown	--	water and sanitation	120-160
France	DG Trésor	01-Sep-18	yes	--	--	did not go forward	yes	--	--	Mali	unknown	present value limit	no information provided	20-40
Germany	Euler Hermes	01-Jan-18	yes	--	--	did not go forward	yes	--	--	Rwanda	unknown	issuance of external debt by	transportation-air	120-160
Germany	Euler Hermes	43101	no	no debt limits	--	did not go forward	no	--	--	Senegal	unknown	--	no information provided	10-20
Germany	Euler Hermes	01-Feb-19	yes	--	--	did not go forward	yes	--	--	Ghana	unknown	non-zero limit	no information provided	80-120
Germany	Euler Hermes	01-May-19	yes	--	--	did not go forward	yes	--	--	Tanzania	unknown	loan-by-loan exception	transportation-rail	120-160
Germany	Euler Hermes	1-Oct-19	yes	--	--	did not go forward	no	--	--	Côte d'Ivoire	unknown	present value limit	transportation-air	20-40
Korea	KSURE	1-Apr-21	yes	--	--	did not go forward	yes	--	--	Senegal	unknown	non-zero limit	fighter aircrafts	80-120
Sweden	EKN	1-Jan-18	yes	--	--	did not go forward	no	--	--	Burkina Faso	unknown	loan-by-loan exception	no information provided	40-80
Sweden	EKN	1-Jul-18	yes	--	--	did not go forward	no	--	--	Tanzania	unknown	loan-by-loan exception	energy generation	80-120
Sweden	EKN	1-Jul-19	yes	--	--	did not go forward	no	--	--	Tanzania	unknown	loan-by-loan exception	no information provided	120-160
United Kingdom	UKEF	1-Jan-22	no	no debt limits	--	did not go forward	yes	--	--	Ghana	unknown	--	transportation-water	160-200

74. Finally, **Table 8** lists the 42 transactions which were notified and which – at the time of the Survey response – were not finalised (either resulting in a commitment or being cancelled). Although no corresponding XCR1 submissions were identified for these transactions (*i.e.* there is no evidence that any of these materialised into a commitment), because their status was last reported in April 2022 as part of the Survey, it is possible that some have been cancelled.

75. Again, the fact that transactions have been notified in advance of a final commitment having been provided would seem to at least provide additional evidence that the Recommendation is being implemented as foreseen. However, based on the status of countries at the time of notification, three “outstanding” transactions in Ethiopia appear to have been subject to a “zero limit” on non-concessional borrowing and six did not need to be notified because they were not subject to any non-concessional borrowing limits. Such inconsistencies may reflect inherent complications with implementing the

Recommendation due to the fact that some countries' non-concessional borrowing status changed on a relatively frequent basis.

Table 8 – Outstanding notified transactions

Adherent	ECA	date notified	should have been notified?	reason notification not needed	how long before commitment	status	WB / IMF response ?	commitment date	XCR1 reference	destination country	obligor	type of NCB limit(s)	project	credit value range (SDR)
Belgium	Credendo	27-May-19	yes	--	--	outstanding	no	--	--	Cameroon	unknown	non-zero limit	installation of FTTX telecom network in Yaoundé and Douala	20-40
Belgium	Credendo	01-Aug-20	yes	--	--	outstanding	yes	--	--	Cameroon	unknown	non-zero limit	The FTTX network in Yaoundé and Douala	10-20
Belgium	Credendo	01-Oct-20	yes	--	--	outstanding	yes	--	--	Côte d'Ivoire	unknown	present value limit	Masterplan wastewater treatment Abidjan	40-80
Czechia	EGAP	01-May-21	yes	--	--	outstanding	yes	--	--	Ethiopia	unknown	zero limit	medical	10-20
Czechia	EGAP	01-Dec-21	no	no debt limits	--	outstanding	yes	--	--	Côte d'Ivoire	unknown	--	transportation - road	120-160
France	DG Trésor	01-Dec-18	yes	--	--	unknown	yes	--	--	Ethiopia	unknown	zero limit	no information provided	not provided
France	DG Trésor	01-Jun-21	yes	--	--	unknown	yes	--	--	Senegal	unknown	limit on total public debt	no information provided	not provided
France	DG Trésor	01-Jul-21	yes	--	--	unknown	yes	--	--	Madagascar	unknown	loan-by-loan exception	infrastructure project	20-40
France	DG Trésor	01-Jan-22	yes	--	--	unknown	yes	--	--	Senegal	unknown	limit on total public debt	no information provided	not provided
Germany	Euler Hermes	01-Nov-18	yes	--	--	outstanding	no	--	--	Ghana	unknown	non-zero limit	no information provided	160-200
Germany	Euler Hermes	01-Feb-19	yes	--	--	outstanding	yes	--	--	Ethiopia	unknown	zero limit	energy generation	120-160
Germany	Euler Hermes	01-Apr-19	yes	--	--	outstanding	no	--	--	Burkina Faso	unknown	present value limit	energy generation	80-120
Germany	Euler Hermes	01-Nov-19	yes	--	--	outstanding	yes	--	--	Tanzania	unknown	loan-by-loan exception	transportation-air	20-40
Germany	Euler Hermes	01-Feb-20	yes	--	--	outstanding	no	--	--	Côte d'Ivoire	unknown	present value limit	water and sanitation	160-200
Germany	Euler Hermes	01-Apr-20	no	no debt limits	--	outstanding	no	--	--	Ghana	unknown	--	transportation - road infrastructure	200-240
Germany	Euler Hermes	01-Aug-20	no	no debt limits	--	outstanding	no	--	--	Ghana	unknown	--	medical	10-20
Germany	Euler Hermes	01-Dec-21	no	no debt limits	--	outstanding	no	--	--	Côte d'Ivoire	unknown	--	transportation-air	40-80
Netherlands	ATRADIUS	01-Jan-20	yes	--	--	outstanding	unknown	--	--	Senegal	unknown	loan-by-loan exception	Dutch equipment	40-80
Netherlands	ATRADIUS	01-Oct-21	no	no debt limits	--	outstanding	unknown	--	--	Benin	unknown	--	construction of 8 new warehouses (Phase I) & other buildings.	80-120
Norway	GIEK	01-Aug-18	yes	--	--	outstanding	yes	--	--	Cameroon	unknown	non-zero limit	water sanitation project	40-80
Sweden	EKN	01-Jan-20	yes	--	--	outstanding	no	--	--	Côte d'Ivoire	unknown	present value limit	transportation	160-200
Sweden	EKN	01-Oct-20	yes	--	--	outstanding	yes	--	--	Burkina Faso	unknown	present value limit	transportation	80-120
Sweden	EKN	01-Apr-21	no	no debt limits	--	outstanding	yes	--	--	Ghana	unknown	--	medical	160-200

76. A final, and perhaps more important issue related to the data on transactions supported and Adherents' implementation of Section II (c) is the scenario whereby there is an XCR1 individual transaction submission that, based on its commitment date, should have been notified, but for which no corresponding notification has been reported. In total, as shown in **Table 9**, 34 such individual transactions reported *via* Form XCR1 were identified. Although it is possible that an Adherent's decision to provide support for a transaction was guided by a country's situation at some point before the commitment date (*i.e.*, when the country's status would not require a notification), in almost every case, the likelihood that a non-concessional borrowing limit did not apply was extremely low (*e.g.*, there was a small window at some point prior to the commitment when there were no limits) to impossible (*e.g.* the country had always been subject to some type of limit). In such situations, the options regarding these transactions are:

- The Adherent notified the World Bank and IMF regarding the transaction but neglected to report it in the Survey.
- Although very unlikely in most cases, the Adherent considered that the applicable non-concessional borrowing status was that of some date prior to the date of commitment when there were no limits.
- The Adherent neglected to notify the World Bank and IMF regarding the transaction (this was confirmed by one Adherent in respect of two of the transactions that it had supported).

Assessment of Adherents' implementation of Section II(c)

77. All Adherents that provided support for transactions covered by the Recommendation have formal procedures and policies in place to support the implementation of Section II (c), and Adherents have indicated that a significant number of notifications have been made in line with the provision of the Recommendation.

78. However, some Adherents appear to have overlooked the reporting of some transactions whilst others have notified several transactions that did not need to be notified.¹⁵ Such mis-notifications can be attributed to the rapidly evolving non-concessional borrowing status of certain countries. Taking the above into consideration, it seems that at least some Adherents are facing challenges in implementing Section II(c), despite their commitment to developing policies to support its objectives.

79. Finally, pending receipt of further information from Adherents in respect of (1) any notifications that were made but not reported in the Survey, (2) whether for some transactions the date used to determine if any non-concessional borrowing limits applied was prior to the commitment date (when there were no limits), or (3) there was a mistake in XCR1 reporting (*e.g.*, the risk was not with the public sector), it is difficult to fully assess Adherents' success in implementing Section II(c).

¹⁵ Although the notification of a project that did not need to be notified does not negatively affect the implementation of the Recommendation, Adherents may wish to avoid the additional administrative burden associated with making unnecessary notifications in the future.

Table 9 - Transactions reported via Form XCR1 that were not reported in the survey as having been notified

Adherent	ECA	date notified	should have been notified?	reason notification not needed	how long before commitment	status	WB / IMF response ?	commitment date	XCR1 reference	destination country	obligor	type of NCB limit(s)	project	credit value range (SDR)
Austria	OEKB	not notified	yes	--	--	committed	--	26-Mar-21	XCR1-AUT-(2021-072-239.943)	Burkina Faso	Ministry of Finance	present value limit	Bogodogo District Hospital Expansion 2017	10-20
Belgium	Credendo	not notified	yes	--	--	committed	--	19-Jul-18	XCR1-BEL-(100425)	Ghana	Ghana Ports and Harbours Authority	non-zero limit	Takoradi Port expansion	20-40
Belgium	Credendo	not notified	yes	--	--	committed	--	18-Feb-20	XCR1-BEL-(101077)	Côte d'Ivoire	Ministère de l'économie et des finances	present value limit	delivery of metal bridges and highway interchanges in steel structure	40-80
Canada	EDC	not notified	yes	--	--	committed	--	01-Mar-18	XCR1-CAN-(64271)	Cameroon	Ministry of Economy, Planning and Regional	non-zero limit	construction of a stadium	40-80
France	BPIFRANCE	not notified	yes	--	--	committed	--	04-Jul-18	XCR1-FRA-(449614001)	Côte d'Ivoire	Ministry of Economy and Finance	present value limit	Water & Sanitation Project (Centre-west of Ivory Coast)	20-40
France	BPIFRANCE	not notified	yes	--	--	committed	--	07-Aug-18	XCR1-FRA-(450400002)	Côte d'Ivoire	Ministry of Economy and Finance	present value limit	supply of 40 compact water treatment plants which will be distributed in the whole	10-20
France	French state (MOC)	not notified	yes	--	--	committed	--	20-Dec-18	XCR1-FRA-(NATIXIS-2018-1)	Mali	Ministry of Finance	present value limit	Télévision Numérique Terrestre Mali	20-40
France	BPIFRANCE	not notified	yes	--	--	committed	--	17-Jan-19	XCR1-FRA-(450868001)	Côte d'Ivoire	Ministry of the Economy and Finance	present value limit	African Cup of Nations Stadiums 2021	20-40
France	BPIFRANCE	not notified	yes	--	--	committed	--	10-May-19	XCR1-FRA-(450837002)	Côte d'Ivoire	Ministry of the Economy and Finance	present value limit	National Plan of Development: La Mer river Water Treatment Plant	20-40
France	BPIFRANCE	not notified	yes	--	--	committed	--	29-Oct-19	XCR1-FRA-(450698001)	Côte d'Ivoire	Ministère de l'Economie et des Finances	present value limit	Government Hospital Programme	80-120
France	Directorate General of the Treasury	not notified	yes	--	--	committed	--	21-Dec-19	XCR1-FRA-(XC1-FRA-2019-003)	Côte d'Ivoire	Ministère de l'Economie et des Finances	present value limit	Studies for the Abidjan Metro Line 1	20-40
France	BPIFRANCE	not notified	yes	--	--	committed	--	04-May-20	XCR1-FRA-(451004002)	Benin	Ministry of Economy and Finance	present value limit	Asphaltage Project	5-10
France	BPIFRANCE	not notified	yes	--	--	committed	--	04-May-20	XCR1-FRA-(451231002)	Benin	Ministry of Economy and Finance	present value limit	Asphaltage Project	5-10
France	BPIFRANCE	not notified	yes	--	--	committed	--	12-May-20	XCR1-FRA-(450822002)	Benin	Ministère de l'Economie et des Finances	present value limit	Abomey-Calavi Reference Hospital	80-120
France	BPIFRANCE	not notified	yes	--	--	committed	--	24-Jul-20	XCR1-FRA-(451263001)	Benin	Ministry of Economy and Finance	loan-by-loan exception	Grand Nokoué Project	5-10
France	BPIFRANCE	not notified	yes	--	--	committed	--	04-Sep-20	XCR1-FRA-(451173002)	Côte d'Ivoire	Ministère de l'Economie et des Finances	present value limit	Côte d'Ivoire Hospital Programme	40-80
France	BPIFRANCE	not notified	yes	--	--	committed	--	14-Dec-20	XCR1-FRA-(451228001)	Senegal	Ministry of Finance and Budget	non-zero limit	Dakar TER	20-40
Italy	SACE	not notified	yes	--	--	committed	--	27-Jan-17	XCR1-ITA-(2016/1666/00)	Ghana	Ministry of Finance & Economic Planning	non-zero limit	University of Environment and Sustainable Development	20-40
Netherlands	ATRADIUS	not notified	yes	--	--	committed	--	11-Jul-18	XCR1-NLD-(857235)	Tanzania	Ministry of Finance	loan-by-loan exception	medical equipment for hospitals	5-10
Netherlands	ATRADIUS	not notified	yes	--	--	committed	--	19-Dec-18	XCR1-NLD-(793829)	Tanzania	Ministry of Finance	loan-by-loan exception	Design and Construction of Terminal III	80-120
Netherlands	ATRADIUS	not notified	yes	--	--	committed	--	21-Aug-20	XCR1-NLD-(1085675)	Côte d'Ivoire	Ministry of Economy and Finance	present value limit	Agricultural Services & Training Center	40-80
Spain	CESCE	not notified	yes	--	--	committed	--	20-Jul-18	XCR1-ESP-(880419)	Cameroon	Republic of Cameroon	non-zero limit	Reinforcement Of Electricity In The City Of Yaounde	10-20
Spain	CESCE	not notified	yes	--	--	committed	--	30-Oct-18	XCR1-ESP-(61118)	Benin	Ministry of Finance	present value limit	Spain - Benin - Satellite Connection for 300 Schools	5-10
Spain	CESCE	not notified	yes	--	--	committed	--	28-Dec-18	XCR1-ESP-(CC/880.653/17-LL)	Ghana	Republic of Ghana	non-zero limit	Obetsebi Lamptey Interchange	10-20

Table 9 (continued) - Transactions reported via Form XCR1 that were not reported in the survey as having been notified

Adherent	ECA	date notified	should have been notified?	reason notification not needed	how long before commitment	status	WB / IMF response ?	commitment date	XCR1 reference	destination country	obligor	type of NCB limit(s)	project	credit value range (SDR)
Spain	CESCE	not notified	yes	--	--	committed	--	30-Dec-20	XCR1-ESP-(CC/880.406/17-LL)	Cameroon	Government of Cameroon	non-zero limit	conditioning and sanitation of Lake Yaonde and its surroundings	10-20
Sweden	EKN	not notified	yes	--	--	committed	--	23-Mar-17	XCR1-SWE-(2016-10485-1-1)	Ethiopia	Ministry of Finance	non-zero limit	Power Transmission Project In Addis Abeba Phase I	20-40
Sweden	EKN	not notified	yes	--	--	committed	--	13-Oct-17	XCR1-SWE-(2016-10484-1-1)	Ethiopia	Ministry of Finance	non-zero limit	Power Transmission Project In Addis Abeba Phase II	20-40
Sweden	EKN	not notified	yes	--	--	committed	--	19-Apr-18	XCR1-SWE-(2016-10599-1-1)	Ethiopia	Ministry of Finance	non-zero limit	rail line construction	20-40
Sweden	EKN	not notified	yes	--	--	committed	--	18-Feb-21	XCR1-SWE-(2019-10029-1-1)	Tanzania	Ministry of Finance and Planning	loan-by-loan exception	Dar es Salaam to Dodoma Standard Gauge Railway [SGR] Project	120-160
United Kingdom	UKEF	not notified	yes	--	--	committed	--	29-Dec-17	XCR1-GBR-(1125376)	Ghana	Ministry of Finance	non-zero limit	Kumasi International Airport Upgrade and Expansion 2017	40-80
United Kingdom	UKEF	not notified	yes	--	--	committed	--	28-Dec-18	XCR1-GBR-(20002178)	Ghana	Ministry of Finance	non-zero limit	Bekwai Hospital	10-20
United Kingdom	UKEF	not notified	yes	--	--	committed	--	28-Dec-18	XCR1-GBR-(20005480,81)	Ghana	Ministry of Finance	non-zero limit	Kumasi Marketplace Rebuilding Phase II	40-80
United Kingdom	UKEF	not notified	yes	--	--	committed	--	30-Apr-20	XCR1-GBR-(20008912)	Benin	Ministry of Economy and Finance	present value limit	Sogea Satom - Bohicon Road Rehabilitation and Redevelopment 2020	80-120
United Kingdom	UKEF	not notified	yes	--	--	committed	--	24-Jul-20	XCR1-GBR-(20009981,10815)	Côte d'Ivoire	Ministry of Economy and Finance	present value limit	NMS Hospitals Cote d'Ivoire	160-200

6.2.4. Section III

80. The final provision of the Recommendation set out in Section III recommends that Adherents share detailed, transaction-specific information with the World Bank and IMF via the OECD Secretariat:

... on all supported transactions to lower-income countries on an annual basis in order to, inter alia, assess Adherents' success towards ensuring that official export credits to lower income countries are not provided for unproductive purposes and are consistent with the aims of the Debt Sustainability Framework for these countries.

81. To address this recommendation the underlying data set used to produce this report will be provided to the IMF and World Bank according to agreed procedures and confidentiality requirements.

82. As far as this provision is concerned, it is impossible to know with certainty if all relevant transactions have been reported by Adherents. Putting aside the notified transactions reported in the Survey that were cancelled or that are outstanding, as mentioned previously, there were only four transactions that were reported as having been notified in the Survey for which corresponding XCR1 submissions could not be found.

83. On this basis, it is fair to conclude that Adherents have successfully implemented Section III.

6.3. Overall comments provided in the Survey on the implementation of the Recommendation

84. The following general comments provided by Adherents regarding implementation of the Recommendation provide important additional context for this review:

- Two Adherents considered that implementation of the Recommendation was complicated when the World Bank indicated that Policy and Performance Actions (PPAs) of a country were under review (which technically implied that any limits that had been in place were no longer valid). Since countries that traditionally had such limits under the World Bank's SDFP were highly likely to again have limits once the new PPA was in place, the provision of non-concessional support during this window would seem to be at odds with the intention of the Recommendation.
- Three Adherents also considered that the Recommendation does not provide any insight as to how “*taking account of the DSA*” for a country without any borrowing limits should be achieved, and that practical advice from the World Bank and IMF on this topic would be welcomed.
- One Adherent drew attention to text in the preamble to Recommendation which states that “*the provision of official export credits to public obligors or publicly guaranteed obligors in these countries should reflect prudent credit policies and sustainable lending practices, that is, lending that supports a borrowing country's economic and social progress without endangering its financial future and long-term development prospects and, inter alia, generates net positive economic returns, i.e., expenditures whose overall positive impacts on a country's economy are expected to exceed their financing costs, fosters sustainable development by avoiding unproductive expenditures, preserves debt sustainability and supports good governance and transparency;*” The Adherent considered that the extent to which Adherents make an assessment of the net positive economic return of a project varies and can give rise to level playing field issues.

7. Dissemination of the Recommendation

85. In addition to the specific provisions of the Recommendation that are designed to be implemented by Adherents on an individual basis (Sections II and III), the Recommendation also contains two additional provisions regarding its dissemination by Adherents and the Secretary-General (Section IV) and inviting non-Adherents to adhere to it (Section V).

7.1. Sections IV and V – Dissemination and outreach to non-Adherents

86. The DAC's adoption of the measures contained in the Recommendation provides evidence that the Recommendation has been properly disseminated within OECD Member countries.

87. As far as non-Adherents are concerned, although there is scope for further efforts to make non-OECD Members aware of the Recommendation with a view towards adhering to it, it is highly unlikely that the small number of non-Adherent countries that actually provide export credits would do so, due to broader geo-political and historical considerations.

7.2. Communications between Adherents and the World Bank and IMF

88. Although the mechanisms for communications between Adherents and the World Bank and IMF are not clearly spelled-out in the Recommendation, it would be impossible for Adherents to implement it without the existence of clear lines of communication and a high level of cooperation from these institutions' staff. In the first instance, the provision of detailed information by the World Bank and IMF on their specific policies on a country-by-country basis is a pre-requisite for Adherents to apply the Recommendation properly. Obtaining timely responses and critical information from World Bank and IMF staff when enquiries are sent is also key to a successful implementation of the Recommendation.

89. To this end, the Survey asked a number of questions related to Adherents' experience with communicating with the World Bank and IMF in relation to the three specific provisions of the Recommendation [Sections II(a), II(b)i and II(b)ii] that do not inherently entail communications between Adherents and the World Bank and IMF [*i.e.*, excluding the notifications related to Section II(c) which have already been addressed]:

- Regarding communications seeking guidance on, or further information about a country's DSA [related to Section II(a)], as mentioned previously, no Adherent reported any specific problems, and one commented that "*exchanges with IMF in general run smoothly; they quickly respond to questions we may have and their programme is usually clear*".
- In relation to the provision set out in Section II(b)i, 13 ECAs (from 12 Adherents) reported that they had communicated with the World Bank or IMF for guidance regarding zero-limit countries. Of these, one indicated that responses from the World Bank were slow and limited to general statements. Otherwise, no other comments were provided.
- Communications between Adherents and the World Bank and IMF concerning countries with non-zero non-concessional borrowing limits [Section II(b)ii] were reported by 15 ECAs (from 15 Adherents) and no negative experiences were mentioned.

90. The Survey also sought information on Adherents' general experience in communicating with the World Bank and IMF regarding the recommendations in Sections II(a) and II(b). Adherents' responses can be summarised as follows:

- Twenty ECAs (from 19 Adherents) indicated having contacted the World Bank or IMF regarding their non-concessional borrowing policies between 2020 and 2021.
- A majority (13) of these ECAs/Adherents indicated that the IMF always (or almost always) provided responses to their enquiries, and all but one reported that answers were received within two weeks. Only one Adherent considered that the information provided did not satisfactorily address the issues raised; however that Adherent explained that they were not able to provide sufficient information to the IMF due to confidentiality requirements but found that the information provided was useful.
- A lower number of ECAs (eleven from ten Adherents) indicated that the World Bank always (or almost always) provided responses to their enquiries, and again, all but one reported that answers were received within two weeks. All but one Adherent considered that the information provided satisfactorily addressed the

issues raised (see above, which implies that information was sought from both the World Bank as well as the IMF).

91. Finally, although it is nowhere mentioned in the Recommendation, Adherents would not be in a position to apply the Recommendation in practice without the regular provision by the World Bank and IMF of the compiled list of countries that are subject debt limits conditionality from the IMF or IDA with the details and characteristics of each country's limits.¹⁶ In the main, the World Bank and IMF have provided regular updates to reflect changes as they are agreed, however, the format by which the information is presented does not facilitate its application in the context of the Recommendation. Accordingly, the Secretariat provides, for each update, a reformulated summary on a country-by-country basis of the recommended actions to be taken. This summary has been designed to assist Adherents in their application of the Recommendation.

8. Summary and conclusions

8.1. Implementation

92. In the first instance, the information presented on the volume of official export credits provided by Adherents to the “lower income” countries that are covered by the Recommendation shows that such business represented a small share of total official export credit support in the past, which has actually decreased in recent years. Since the provision of official export credits is, for the most part, driven by commercial interests (*i.e.*, the promotion of national exports), and since international agreements oblige Adherents to break-even financially, it should come as no surprise that the volume of export credits to lower income countries – that are generally associated with higher risk – is modest.

93. With transactions that are covered by the Recommendation (*i.e.*, public sector risk in lower income countries) representing an even smaller portion of official export credit business, it is probably safe to assume that the potential impact of official export credits on the debt sustainability of lower income countries could only be modest, at best.

94. Nonetheless, the Recommendation is meant to ensure that the provision of official export credits to lower income countries, even if modest in volume, does not have a negative impact on debt sustainability.

95. Based on the information collected through the Survey and the reporting of individual transactions that are covered by the Recommendation, the following conclusions regarding Adherents' implementation of the Recommendation emerge:

- Survey responses indicate that all Adherents that actually provided support for official export credits that were covered by the Recommendation have formal policies in place to implement its provisions.
- The information obtained from the reporting of individual transactions (sometimes in combination with the information from the Survey on transactions notified), provided additional information about Adherents' implementation of the Recommendation:
 - Regarding Section II(b)i, although ten transactions were supported in countries that were subject to zero non-concessional borrowing limits at the time of the

¹⁶ All previous ECG agreements on Sustainable Lending stipulated that this information would be provided by the World Bank and IMF.

commitment, it is safe to assume that the provision of support was consistent with the Recommendation and that the provision of support for these transactions can be explained by either (1) changes in a country's status between the time when the initial offer of support is provided and the time of final commitment or (2) the existence of waivers for transactions on a systematic (*e.g.*, asset-based aircraft sales) or one-off (*e.g.*, waiver for a specific transaction) basis.

- Since almost all transactions involving countries with non-zero non-concessional borrowing limits involved the Ministry of Finance as obligor or guarantor, it is reasonable to conclude that Adherents have successfully implemented Section II(b)ii of the Recommendation.
- With respect to Section II(c), although the vast majority of relevant transactions supported by Adherents were notified to the World Bank and IMF, it is clear that some were not.
- The fact that some Adherents have notified the World Bank and IMF of transactions that were not covered by the Recommendation (*e.g.*, large private risk projects or, projects that did not appear to be subject limits) suggest that some have taken a conservative approach with regard to the notification of transactions (*i.e.*, when in doubt, notify), perhaps to ensure that provisions in Section II(c) are met.
- The recommendation to provide information on individual transactions in Section III has been well-implemented, notwithstanding the fact that a small number (four) of transactions may not have been reported. However, one Adherent (Israel) has neither provided a response to the Survey nor any individual transaction submissions.
- The lines of communication between Adherents and World Bank and IMF staff appear to be functioning as well as could be expected, and the information on country-specific debt limits conditionality (needed by Adherents to apply the Recommendation) has been provided by the World Bank and IMF on a regular basis.

8.2. Dissemination

96. Evidence suggest that the Recommendation has been properly disseminated within Adherents' governments, and all major providers of official export credits are Adherents to the Recommendation, except for a few countries who currently would not be disposed to adhering to it. Further, the DAC's adoption of the measures contained in the Recommendation has served to strongly disseminate the Recommendation within DAC member countries.

97. Nonetheless, although the possibility that relevant non-Adherents (*i.e.*, those that provide meaningful volumes of official export credit support) would wish to join the Recommendation seems remote at this time, the current Adherents and the OECD could undertake further efforts to disseminate information about the Recommendation and the positive benefits that adherence to it brings.

8.3. Continued relevance

98. Overall, the information presented in this Report indicates that Adherents have made the efforts necessary to fully and successfully implement the Recommendation.

Adherents have taken concrete steps in implementing each provision, and the Recommendation remains relevant and useful for providers of officially supported export credits.

99. Nonetheless, this review has provided the opportunity to identify and analyse a few practical challenges that Adherents have faced in implementing the provisions of the Recommendation and to take stock of recent developments in the field.

8.3.1. Areas warranting further consideration

100. On a practical note, with the World Bank having changed the name of its debt limits policy from *Non-Concessional Borrowing Policy (NCBP)* to *Sustainable Development Finance Policy (SDFP)*, it is necessary to update the references to the World Bank's policy in the text of the Recommendation. A proposal for revisions in this respect will be submitted to the Council for adoption at the same time this Report is submitted to it to be noted and declassified.

101. From a longer-term perspective, regarding the scope of the Recommendation and its alignment with Adherents' current practices, the Report shows that a few Adherents deemed it appropriate to notify the World Bank and IMF of the private risk mega-project in Mozambique. Accordingly, Adherents may wish to consider the idea of requiring all transactions of a certain size, including private risk, to be notified to the World Bank and IMF.

102. Furthermore, the Report has identified three areas that may warrant further in-depth consideration by Adherents before any concrete revisions to the Recommendation might be proposed:

- Although it may be premature to propose any revisions in respect of Section II(a), Adherents may wish to discuss ways to clarify the Recommendation in relation to taking the DSAs into account when there are no non-concessional borrowing limits in place. This reflection could be undertaken with a view towards potentially revising the Recommendation in the future, or alternatively to establish a common understanding amongst Adherents on this matter, in support of the implementation of the Recommendation.
- Adherents may also wish to explore whether or not there needs to be additional operational guidance to address the issue of changes in the borrowing limits of countries (*e.g.*, when an Adherent has provided a preliminary promise of cover when a country is not subject to a non-concessional borrowing limit, and then a limit is put in place afterwards, before a final commitment is made).
- Finally, in view of the fact that official export credits are but one of several types of cross-border lending from official sources that can have an impact on a country's debt sustainability, Adherents may wish to consider ways by which information about the Recommendation could be further disseminated within their governments in order to allow for its application, where appropriate, to other cross-border lending operations that have the potential to contribute to the build-up of unsustainable debt by lower income countries.

8.4. Next steps

103. With respect to revisions mentioned above to update references to the World Bank's debt limit policy, a proposal will be submitted to the Council for adoption at the same time this Report is submitted to it to be noted and declassified.

104. With respect to the remainder of the findings and conclusions in this Report, it is proposed that Adherents undertake an exchange of views on the issues identified. For instance, Adherents may wish to consider whether or not it would be useful to develop operational guidance and supplementary materials to address elements of the Recommendation that have been identified in relation to its practical application, including:

- Clarifying the meaning of “taking into account DSAs” in Section II(a) of the Recommendation, by for example, gathering good practices and recommendations in implementing this provision.
- How to address changes in the borrowing limits of countries (*e.g.*, when an Adherent has provided a preliminary promise of cover when a country is not subject to a non-concessional borrowing limit, and then a limit is put in place afterwards, before a final commitment is made).

105. Adherents may also wish to clarify the extent to which the net positive economic return of a project is assessed with a view towards determining whether or not any actions in this area should be taken at a future stage (*e.g.*, preparing a guidance note, or even modifying the text of the Recommendation).

106. Finally, Adherents may wish to consider ways by which information about the Recommendation could be further disseminated within their governments in order to allow for its application, where appropriate, to other cross-border lending operations that have the potential to contribute to the build-up of unsustainable debt by lower income countries.