

PRESS RELEASE

Dutch export credit insurance agency failed to prevent damaging practices in Suape (Pernambuco, Brazil)

30 November 2016

Dutch export credit insurance agency Atradius Dutch State Business (Atradius DSB) is directly linked to harmful social and environmental impacts and human rights violations that are the result of the insured projects by Dutch dredging company Van Oord and the Suape port authority in north-eastern Brazil. That is the conclusion of the Dutch National Contact Point (NCP) for the OECD Guidelines in its final statement, published today, on a formal complaint submitted by Both ENDS, the Brazilian Forum Suape and local fishermen in June 2015.

Atradius DSB provides insurance and guarantees on behalf of the Dutch state to exporters and investors operating abroad. According to the NCP, Atradius DSB did not make sufficient effort to urge Van Oord and the Suape port authority to prevent and alleviate the negative consequences of their activities. "This is the first time that a complaint against a government-supported export credit insurance agency has been declared eligible by an NCP," says Wiert Wiertsema of Both ENDS. "We are delighted that the NCP considers our complaint on the whole valid."

Export credits insured for more than €110 million

In 2011 and 2012, Atradius DSB awarded export credit insurances providing a total cover of over €110 million for two projects of the Dutch dredging company Van Oord in Suape – one to build a new shipyard and the other to deepen the access channel to the seaport. Local people in and around the port of Suape have traditionally lived from small-scale farming, fruit growing and fishing, but little of that now remains. The water is polluted, coral reefs and mangrove forests are damaged, and fish stocks are severely depleted. According to the NCP, Atradius DSB failed to examine the social and environmental risks of these large projects sufficiently.

Greater transparency required

The NCP doubts whether Atradius DSB sufficiently checked that local people were consulted or that the social and environmental impact would not, on balance, be negative. "In this way, the NCP confirms our point of view that Atradius DSB's policies must be much tighter and more transparent," says Wiertsema. "On the basis of the conclusions of the NCP we expect Atradius DSB from now on to be much more proactive in its response to signals from us and our local partners."

In analogy to the complaint against Atradius, the Brazilian NCP is dealing with the same complaint against the Dutch dredging company Van Oord. Both ENDS hopes that Atradius DSB will take up the NCP's suggestion to ensure that her client-company Van Oord does its utmost to promote a local dialogue with the port authority and the complainants to address and resolve the issues raised, and to monitor the results of that dialogue. Atradius DSB has

to make sure that also after the issuance of an insurance policy it will oversee a fair and correct processing of any complaints occurring. Both ENDS will certainly persist in reminding Atradius DSB of that recommendation.

Both ENDS is pleased with the suggestion of the NCP to share its submission on the gaps between the Corporate Social Responsibility (CSR) standards applied by ECAs under the label of the Common Approaches and the OECD Guidelines for MNEs. It welcomes the suggestion of the NCP that the OECD Export Credit Group and the OECD Working Party on Responsible Business Conduct should start a process to develop a higher shared standard by closing these gaps.

Both ENDS also expects the Dutch government to take prompt steps to make export credit insurance more transparent and to make sure that local stakeholders are meaningfully consulted in all project screening activities of Atradius DSB.

Note for editors:

The complaint was submitted to the Dutch NCP by the following organisations:

- Both ENDS: <http://www.bothends.org/>
- Conectas: <http://www.conectas.org/en>
- Fórum Suape - Espaço Socioambiental: <http://forumsuape.ning.com/>
- Z8 Colônia de Pescadores do Município do Cabo de Santo Agostinho.

If you want to contact one of the Brazilian organisations, if you have other questions or need information, please contact:

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