STRENGTH IN CO-OPERATION: THE BERNE UNION AND THE OECD

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Kimberly Wiehl is the Secretary-General of the International Union of Credit and Investment Insurers (the Berne Union). Founded in 1934, the Berne Union is an international, non profit organisation dedicated to facilitating worldwide cross-border trade and investment by fostering international acceptance of sound principles in export credits and investment insurance, and by providing a forum for professional exchanges among its 49 members.

I am sure that I represent all the export credit insurance community when I say that the work of the OECD has been of vital importance to the development and stability of our industry over the past five decades.

OECD member governments have worked together to create a framework of operation to ensure a level playing field among export credit agencies (ECAs). There have been many important landmark decisions and advances which have benefited the industry on a global scale. As the Secretary-General of the Berne Union for nearly 10 years, it has been a pleasure to work closely with the OECD colleagues among the member countries and in the secretariat.

Close alignment of Berne Union and OECD objectives

While the Berne Union was founded over 25 years before the OECD, since its establishment the OECD has become the governmental platform for national export credit insurers. During this time, the Berne Union has evolved to include member agencies from emerging as well as developed markets and also private export credit and investment insurers.

First and foremost, the Berne Union actively aims to facilitate cross-border trade by supporting international acceptance of sound principles and by providing a forum for professional exchanges among its members. The Berne Union members come together as a group of expert practitioners, in many cases working to assess the practical implications and implementation of decisions taken by the OECD. In a number of ways, this work not only plays a complementary role to that

undertaken by the OECD, but also extends the knowledge of the initiatives taken by the OECD to other agencies and companies beyond the OECD membership.

In recent years, the Berne Union has adopted a series of association principles which have incorporated a number of fundamental themes established by the OECD. The key areas are principles related to environmental practices, ethical business practice and financial responsibility. This is highlighted in the Berne Union Value Statement: "…We are committed to operate in a professional manner that is financially responsible, respectful of the environment and which demonstrates high ethical values – all in the best interest of the long-term success of our industry".

Following the agreement of the Value Statement in 2004, the Berne Union members further elaborated their values in a series of ten Guiding Principles; this was a significant milestone for the Berne Union as private and public entities with different mandates and ownerships agreed to share these principles in the pursuit of the purpose of their organisation. Again, many of the important agreements achieved in the OECD were the inspiration for the following Principles, which were adopted in 2006:

1. We conduct our business in a manner that contributes to the stability and expansion of global trade and investment on a sound basis that is in accordance with applicable laws and relevant international agreements.
2. We carefully review and manage the risks we undertake.
3. We promote export credit and investment insurance terms that reflect sound business practices.
4. We aim to generate adequate revenues to sustain long-term operations reflective of the risks we undertake.
5. We manage claims and recoveries in a professional manner, while at all times recognising the insured's and obligors' rights.
6. We are sensitive about environmental issues and take such issues into account in the conduct of our business.
7. We support international efforts to combat corruption and money laundering.
8. We promote best practices through exchange of information on our activities, policies and procedures, and through the development of relevant agreements and standards, where these are deemed necessary to govern the provision of export credit and investment insurance.

9. We are committed to furthering transparency among members and in the reporting of our overall business activities, reflective of international practices and respectful of the confidentiality of third party information.
10. We encourage co-operation and partnering with commercial, bilateral, multilateral, and other organisations involved in export trade and investment business.

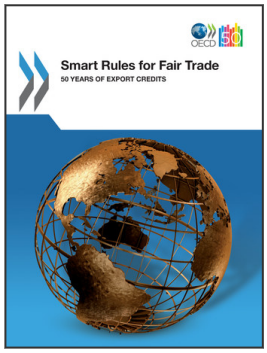
As a final step, in 2008 the Berne Union used the Guiding Principles as the basis for its Operational Guidelines for each of the three business areas, *i.e.* short term (credit tenors of one year or less), medium/long term (credit terms more than one year) and investment insurance (political risk insurance).

Complementing OECD agreements

Under the Operational Guidelines for medium- and long-term business, which is the area most closely aligned with the business of OECD members, there are numerous references to OECD agreements. These areas include repayment terms, premium rates, sector understandings, project finance, environmental impact assessments, bribery, multilateral enterprises, sustainable lending and also untied aid.

The Berne Union has also worked closely with the OECD to promote its outreach initiatives. In fact, a number of existing Berne Union members have become actively engaged by participating in the OECD export credit meetings and various outreach activities as invited observers. As new ECAs have been established in Central and Eastern Europe, the Middle East, Africa and Asia, they have joined the international community as members of the Berne Union Prague Club. Together with Berne Union colleagues, OECD experts have frequently attended the meetings of these newly created ECAs to exchange expertise in order to promote best practice and highest international standards throughout the industry.

Therefore, it is with great pleasure, both personally and on behalf of the Berne Union, to congratulate the OECD, its Chairman, François de Ricolfis, and past and present Heads of the Export Credits Division with whom I have worked, Janet West and Steve Tvardek, and each of the OECD members on this 50th anniversary. Along with all members of the Berne Union, I wish you all the best and hope to benefit from our continued co-operation and professionalism in our roles as key organisations working toward the support and success of our industry's future.



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