

**To:**

Minister Schreinemacher  
State Secretary Van Rij

**Cc:**

Ministry of Finance: Nikki Kersten, Judith Horst  
Ministry of Foreign Affairs: Jules Gerzon, Mirco Goudriaan, Frank van der Vleuten  
Atradius DSB: Bert Bruning, Mandy van Leeuwen

**No export credit support for Santos FPSO**

15 December 2022

Dear Ms. Schreinemacher, dear Mr. Van Rij,

Last month, you published a policy to implement the COP26 pledge to stop public finance for fossil fuel projects abroad by the end of 2022 and instead fully prioritise public finance for clean energy. Contrary to this objective a floating production storage and offloading (FPSO) vessel intended to produce oil and fossil gas in Brazil for a period of 30 years is now under consideration for export credit insurance. The project emerged on the ADSB website in October.<sup>1</sup> In this letter, a group of Dutch and Brazilian NGOs would like to emphasise that support for this project is incompatible with the COP26 Statement and a 1.5C scenario. The IPCC and the IEA are clear that in a scenario that maintains a 50% chance to limit global warming to 1.5C there are no new investments in new oil and gas production, nor in LNG infrastructure. On November 30 minister Jetten confirmed in parliament<sup>2</sup> that under the new policy new applications, need to be aligned with 1.5C. This should also apply to the Santos project and we would like to ask you to confirm whether this is indeed the case and that financing for this project cannot and will not go ahead under the new policy.

This decade is crucial in the fight against climate change. The decisions we make now shape the energy landscape for decades to come. This is why investing in new fossil fuel projects now is, in the words of UN Secretary General Guterres, ‘madness’.<sup>3</sup>

A number of our organisations have been actively involved in the stakeholder consultation process around the COP26 Statement, during which we have emphasised the importance of a thorough implementation of the promise for reaching our climate goals. The pledge made in Glasgow was very clear about the deadline to stop this support for fossil fuel projects: the signatories pledged to meet the commitment by the end of 2022. In the Dutch policy, it appeared that The Netherlands has decided to allow for a one year transition period, during which requests for cover can still be turned into insurance policies. This constitutes a clear breach of the end of 2022 deadline. Moreover, together with Belgium, The Netherlands is the only signatory with published COP26 policy that has allowed for such an exception. This risks diluting the COP26 Statement, as this might mean signatories with unpublished policies follow this poor example. Rather than being a climate leader, The Netherlands is in fact dragging other signatories’ ambition levels down.

Worryingly, in October the Santos Basin Pre-Salt Pole project in Brazil appeared on Atradius DSB’s ex ante list of Category A (those with the most severe social and environmental impacts) projects under consideration for export credit insurance. It makes no pretensions about what this project entails: it is a FPSO, intended to produce fossil fuels for a period of 30 years, or well into 2050.

1 <https://atradiusdutchstatebusiness.nl/nl/artikel/publicatie-a-projecten.html>

2 “De regeling wil ook niet zeggen dat verzoeken die nog worden ingediend, ook daadwerkelijk worden ingewilligd, omdat er heel kritisch zal worden gekeken of die projecten nog passen binnen het 1,5 graadscenario.” Minister Jetten, November 30, 2022, during the *Debat over de Klimaat-en Energieverkenning en de klimaatnota*.

3 <https://press.un.org/en/2022/sgsm21228.doc.htm>

This project is in blatant contradiction with the COP26 Statement and the Paris Agreement and the objectives articulated therein. It would *significantly increase* Brazil's oil and gas production at a moment when a rapid phase-out of fossil fuel infrastructure is necessary.

The new FPSO will further impact human rights and nature, affecting the ways of life of traditional communities such as artisanal fishing, quilombolas and indigenous people, who inhabit the coves, beaches and mangroves of the region's Atlantic coast.

With the introduction of the transition period, the possibility remains open for this project to receive Dutch government support. Fortunately, however, this contradiction appears to be recognised by minister Jetten, who has recently said that insurance applications made during the transition period should also be in line with 1.5C.

**Since the Santos Basin Pre-Salt Pole project is in no credible 1.5C compatible scenario in line with 1.5C, we would like to ask you to confirm whether this means that the Santos FPSO and other applications concerning new oil and gas production or LNG infrastructure that endanger 1.5C cannot receive public support – not now, nor during the transition period.**

We look forward to your reply.

Kind regards,

FASE Espírito Santo, Brazil  
Nem um poço a mais! Brazilian Anti Oil Campaign  
Oilwatch Latinamerica  
Both ENDS  
Milieudefensie, Friends of the Earth Netherlands  
Oil Change International