

12 October 2006

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Subject: The Orion paper mill factory project (Uruguay; Botnia SA) and Finnvera Oyj

The Center for Human Rights and Environment (CEDHA) made on 8 June 2006 a request for specific instance to the Finnish National Contact Point, as defined by the OECD Guidelines for Multinational Enterprises, concerning the financial activities of Finnvera Oyj in relation to the Botnia SA paper mill project in Uruguay. With respect to the request, the Finnish National Contact Point is the Finnish Ministry of Trade and Industry. The request of the CEDHA was dealt with by the MONIKA Advisory Committee of International Investment and Multinational Enterprises, which is attached to the Ministry.

According to OECD Guidelines for Multinational Enterprises, the Finnish National Contact Point must first decide whether the request for specific instance will merit a further examination, before issuing a statement on it. The nature of Finnvera Oyj's special financing and the company's position as a provider of state export guarantees must be considered when dealing with the matter. The following issues should be taken into account, in particular:

- Finnvera Oyj cannot be considered a multinational enterprise, as defined by the Guidelines, when contemplating the special nature of Finnvera Oyj as a provider of state's export guarantees.
- The OECD Guidelines cannot be considered to refer to state's export guarantee activities, which are regulated nationally by special legislation and for which special arrangements exist within the OECD (such as environmental principles approved for export credit agencies).
- First and foremost, the Guidelines concern investment activities and enterprises that have made investments (primary investors), in this case Botnia SA. Commentary 10, Chapter 2 (general principles) of the Guidelines (supply chain) advises multinational enterprises to encourage their business partners and subcontractors to comply with principles that are in harmony with the Guidelines, and which cannot be applied directly to an export guarantee enterprise.

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- The OECD Committee of Investment and Multinational Enterprises' (CIME) commentary on the Investment Nexus made in April 2003 does not entail that the Guidelines should be applied to Finnvera Oyj's special financing activities.
- With respect to the investment viewpoint taken by the Guidelines, applying them to the activities of Finnvera Oyj could not, ever otherwise, be considered appropriate.

Based on the reasons mentioned above, and having had the case considered by the Monika Advisory Committee, the Finnish Ministry of Trade and Industry has concluded that the request for specific instance issued by CEDHA on 8 June 2006 does not merit further examination by the Finnish National Contact Point.

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Minister of Trade and Industry

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Deputy Director General

For information:

- Botnia SA/Oy Metsä-Botnia Ab
- Finnvera Oyj
- Monika Advisory Committee