

TRADE AND AGRICULTURE DIRECTORATE
TRADE COMMITTEE

Working Party on Export Credits and Credit Guarantees

EXPORT CREDITS AND THE ENVIRONMENT: SURVEY ON THE ENVIRONMENT AND
OFFICIALLY SUPPORTED EXPORT CREDITS

PURPOSE OF PAPER AND ACTION: This document contains the agreed 2007 Survey on the Environment and Officially Supported Export Credits; it reflects, inter alia, the undertakings contained in the Revised Council Recommendation on Common Approaches on the Environment and Officially Supported Export Credits [TAD/ECG(2007)9]. The Survey is meant to provide for the on-going monitoring and review of measures taken by Members to address environmental issues in their official export credit systems; it replaces the previous survey [TD/ECG(2004)12/FINAL].

TIMING: Members are invited to complete this on-going Survey by the end of February 2008, after which the Secretariat will, if necessary, contact each Member bilaterally to verify their respective responses prior to making them available on the OECD website. Thereafter, Members are invited to ensure that their responses remain up to date: all up-dated responses will also be made available on the OECD website

LINK TO PROGRAMME OF WORK AND BUDGET: Output Results: 7R31106.

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SURVEY ON THE ENVIRONMENT AND OFFICIALLY SUPPORTED EXPORT CREDITS

This Survey seeks information on ECG Members' policies and procedures for implementing the *Revised Council Recommendation on Common Approaches on the Environment and Officially Supported Export Credits* [C(2007)65 & CORR and TAD/ECG(2007)9].

I GENERAL PRINCIPLES

Objectives

- 1 In general, please describe the policies and practices that you have established to support the objectives of the Recommendation.

II SCREENING AND CLASSIFICATION OF PROJECTS

Exemptions

- 2 Are all applications screened? If not, please provide details of any exemptions from screening, including the value of any threshold used.

Information requirements

- 3 What information is required for the screening process?

Responsibilities

- 4 Who is responsible for providing the information required to screen applications?
- 5 Who within your Export Credit Agency (ECA) is responsible for screening applications?

Timing

- 6 At what stage does screening occur in the risk assessment process?

Scope and criteria of screening

- 7 Please provide details of how the screening process considers, where appropriate, operational links with associated operations.
- 8 Please specify any particular practices followed in screening applications in cases of:
 - (a) Co-insurance/co-finance with other ECAs or International Financial Institutions (IFIs).
 - (b) Re-insurance as lead ECA.
 - (c) Re-insurance as re-insurer.

Existing operations

- 9 What procedures and practices do you have in place to help identify exports of capital goods and services to existing operations¹?

New projects

- 10 What procedures and practices do you have in place to help identify exports of capital goods and services to projects²?

Other exports

- 11 How do you screen exports of capital goods and services that are neither to existing operations nor to projects?

Classification system

- 12 Does your classification system vary from that of the Recommendation? If so, please provide details.

Scope of classification

- 13 Do you classify exports of capital goods and services (a) that are to existing operations or (b) that are neither to existing operations nor to projects? If so, please provide details.

- 14 In what circumstances do you classify projects in respect of which your share is below SDR 10 million?

Responsibilities for classification

- 15 Who is responsible for the classification of projects?

III ENVIRONMENTAL REVIEW

Information requirements

- 16 Do your procedures prescribe the type of information necessary for the review process, or are projects reviewed on a case-by-case basis? Please provide details.

Responsibilities

- 17 Who is responsible for providing the information required to review projects?

- 18 Who within your ECA is responsible for reviewing projects?

Scope and criteria

- 19 Please provide details of how your review process considers, where appropriate, operational links with associated operations.

¹ For the purposes of this Survey, “existing operations” are any identifiable existing operations that are undergoing no material change in output or function.

² For the purposes of this Survey, “projects” are any new commercial, industrial or infrastructure undertaking at an identified location or any identifiable existing operation that is undergoing a material change in output or function.

20 Please specify any particular practices followed in reviewing projects in cases of:

- (a) Co-insurance/co-finance with other ECAs, IFIs or your Development Agency.
- (b) Re-insurance as lead ECA.
- (c) Re-insurance as re-insurer.

Category A projects

21 Under paragraph 9 of the Recommendation, Members should require an Environmental Impact Assessment (EIA) to be undertaken for Category A projects. Are there any circumstances in which you might accept to review a Category A project for which an EIA has not been undertaken or for which either an EIA report is not available for review or does not adequately address all the issues set out in Annex II of the Recommendation? Please provide any examples of experience.

22 Who is responsible for:

- (a) Commissioning and carrying out an EIA?
- (b) Providing you with a copy of an EIA report?
- (c) Reviewing an EIA report?

Category B projects

23 Under paragraph 10 of the Recommendation, the review of Category B projects should examine a project's potential negative and positive environmental impacts. Please provide details of your general approach to reviewing Category B projects, including which, if any, of the items listed in Annex II of the Recommendation and which key environmental factors, such as those listed in paragraph 8 (tired 1) of the Recommendation, are taken into consideration.

Existing operations

24 What procedures and practices do you have in place to review the environmental risks associated with existing operations?

Other exports

25 Do you review the environmental risks associated with exports of capital goods and services that are neither to existing operations nor to projects? If so, please provide details.

Standards

26 How do you ensure that a project is compliant with host country standards?

27 Paragraph 12 of the Recommendation sets out the general circumstances in which international standards should be used for the purposes of evaluating the potential environmental impacts of projects. Please provide details of when, in practice, you would use the following international standards for Category A projects:

- (a) World Bank Safeguard Policies.
- (b) International Finance Corporation (IFC) Performance Standards.

- (c) Regional Development Bank standards.
 - (d) Other relevant internationally recognised standards, such as European Community standards.
- 28 Please provide details of the circumstances, if any, in which you use the following technical international standards for the purposes of evaluating the potential environmental impacts of Category A projects (*i.e.* for sovereign, public/non-sovereign, corporate, limited or non-recourse project finance transactions):
- (a) The Pollution Prevention and Abatement Handbook.
 - (b) IFC Environmental, Health and Safety Guidelines.
- 29 Paragraph 12 of the Recommendation sets out the general circumstances in which international standards should be used for the purposes of evaluating the potential environmental impacts of projects. Please provide details of when, in practice, you would use the following international standards for Category B projects:
- (a) World Bank Safeguard Policies.
 - (b) IFC Performance Standards.
 - (c) Regional Development Bank standards.
 - (d) Other relevant internationally recognised standards, such as European Community standards.
- 30 Please provide details of the circumstances, if any, in which you use the following technical international standards for the purposes of evaluating the potential environmental impacts of Category B projects (*i.e.* for sovereign, public/non-sovereign, corporate, limited or non-recourse project finance transactions):
- (a) The Pollution Prevention and Abatement Handbook.
 - (b) IFC Environmental, Health and Safety Guidelines.
- 31 Please provide details of any circumstances in which you might apply more than one set of international standards or guidelines.
- 32 Please provide details on the circumstances in which you would use other internationally recognised sector specific or issue specific standards that are not addressed by the World Bank Group.
- 33 Please provide details of your procedures and practices in cases where projects do not meet the international standards or guidelines against which they have been benchmarked.

Site visits

- 34 Please specify in what circumstances you might carry out a site visit as part of the review process.

IV EVALUATION, DECISION AND MONITORING

Conditions to official support

- 35 How are conditions related to the environment incorporated into documentation prior to or after the decision on official support? Please provide details and examples of any environmental covenants used.

Denying official support

- 36 Under what circumstances would you consider denying support on account of the environmental impacts of a project? Please provide details and any examples of experience.

Monitoring

- 37 Please provide details of your procedures for monitoring, as appropriate, the implementation of a project, regardless of its classification, to ensure compliance with the conditions of your official support, including monitoring frequency/period, content and reporting method.
- 38 Who is responsible for undertaking monitoring of projects, including, if appropriate, site visits and preparing monitoring reports, and who is responsible for reviewing monitoring information and deciding on compliance?

Non-compliance measures

- 39 What actions are available to you in cases where monitoring reveals that conditions are not being complied with and who is responsible for deciding what actions are appropriate in order to restore compliance? Please provide any examples of experience.

Disclosure of monitoring reports

- 40 In what circumstances do you encourage project sponsors to make *ex post* monitoring reports and related information publicly available? In what circumstances, if any, does your ECA require project sponsors to make such information publicly available or itself seek to make such information publicly available?

V EXCHANGE AND DISCLOSURE OF INFORMATION

Environmental procedural guidance

- 41 Have you published national ECA environmental policy statements and procedural guidance? If so, where can they be found (please provide website address if relevant)?

Exchanging information

- 42 Please provide details of your procedures and practices in exchanging information with other ECAs and IFIs in situations of (a) co-insuring/co-financing and (b) competition.

Disclosure of project information

- 43 Please provide details of your procedures and practices for disclosing publicly information on Category A projects before a final commitment to grant official support, including:
- (a) The scope and content of information released.
 - (b) The form and language of the information released (including website address, if relevant).
 - (c) The required number of days the information should be made available prior to commitment.

- (d) Any legal constraints to *ex ante* disclosure of such project information (*i.e.* is your ECA legally precluded from making such information publicly available).
- (e) Any circumstances in which project information relating to Category A projects is not disclosed prior to commitment.

Disclosure of environmental impact information

44 Please provide details of your procedures and practices for requiring that environmental impact information on Category A projects be made publicly available before a final commitment to grant official support, including:

- (a) Responsibility for making such information publicly available.
- (b) If the ECA or Guardian Authority is not responsible for such disclosure, please provide details of how third parties are required to make such information publicly available; how this is monitored; and what measures are available in cases of non-compliance: please provide any examples of experience.
- (c) The scope and content of information that should be released.
- (d) The form and language of the information that should be released (including website address, if released by ECA or Guardian Authority).
- (e) The required number of days the information should be made available prior to commitment.
- (f) Any legal constraints in *ex ante* disclosure of environmental impact information (*i.e.* is your ECA legally precluded from requiring the project sponsor to provide the disclosure as a condition of receiving ECA support).
- (g) Any circumstances in which environmental impact information relating to Category A projects is not disclosed prior to commitment.

Ex post disclosure

45 Please provide details of your procedures and practices for making available to the public information on projects classified in Category A and Category B for which you have made a final commitment to provide official support, including:

- (a) How often you make publicly available *ex post* information on projects classified in Category A and Category B.
- (b) What is the scope and content of such information, including environmental information.
- (c) Who is responsible for disclosing such information.
- (d) The form and language of the information released (including website address, if relevant).
- (e) How long the information remains publicly available.

VI REPORTING AND MONITORING OF THE RECOMMENDATION

Accountability of your guidelines

46 Please provide details of any appropriate measures and mechanisms in place to ensure compliance with your policies and procedures.

Monitoring and Evaluation

47 Please provide details of any procedures and practices in place to monitor and evaluate your experience of the Common Approaches at a national level and to share experiences with other Members.

Revising procedures:

48 When was the last review or update of your environmental procedures conducted and what was the motivation for it?

49 Are any modifications foreseen in the near future and, if so, when and for what reason?

Resources

50 What resources have been required as a result of the implementation of your environmental procedures? Please provide details of such resources including, if appropriate, the number of dedicated Environmental Practitioners and/or external consultants employed by your ECA.

Cost-sharing

51 What costs are shared both during the risk assessment process and after the financing agreement has been concluded?

Reporting

52 How frequently do you report *ex post* to the ECG, in accordance with paragraph 22 (tired 1) of the Recommendation, all Category A and Category B projects for which a final commitment has been issued?

Body of experience

53 Do you have any practices and procedures in place to collate experience and/or knowledge from individual cases? If so, please provide details.

54 How do you store and transfer knowledge on environmental issues between Environmental Practitioners and between Environmental Practitioners and Underwriters?

55 Do you produce any reports on environmental issues in addition to those required by the Recommendation? If so, please provide details.

VII OTHER COMMENTS

Scope

56 How are environmental issues relating to exports of capital goods and services and the locations to which these are destined addressed for officially supported export credits with a repayment term of less than two years?

Any Additional Comments

57 Please provide any additional comments.