

TRADE AND AGRICULTURE DIRECTORATE
TRADE COMMITTEE

Working Party on Export Credits and Credit Guarantees

REVIEW OF MEMBERS' RESPONSES TO THE ENVIRONMENTAL AND SOCIAL SURVEY

This document contains a Review of Members' responses to the Environmental and Social Survey [TAD/ECG(2013)2/FINAL] concerning their policies and procedures for addressing the potential environmental and social impacts of projects for which official export credits support is requested. The Survey reflects, inter alia, the provisions of the Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence [TAD/ECG(2012)5]. Actual responses from Members are available on the OECD website.

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EXECUTIVE SUMMARY

This document contains a Review of Members' policies and procedures for addressing environmental and social issues when providing officially supported export credits in the context of the implementation of the *Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence* [TAD/ECG(2012)5] adopted by the OECD Council in June 2012.

This Review is based on responses to the *Environment and Social Survey* (the "Survey") [TAD/ECG(2013)2/FINAL] provided by 28 of 32 Members of the Working Party on Export Credits and Credit Guarantees (ECG), representing a total of 33 Export Credit Agencies (ECAs).

The Survey is maintained on an on-going basis and, accordingly, Members are requested to update their responses as and when any changes are made to their policies and practices. In this context, Members first responded to the Survey in 2013 and, since then, a number of ECAs have amended their responses: all current responses to the Survey, as reviewed for this document, are available on the OECD website.

This Review shows that Members' policies and procedures for addressing environmental and social issues vary, with different approaches being adopted, for example, for application screening and classification, benchmarking against international standards, and monitoring projects. Such approaches, however, remain broadly compliant with the provisions of the 2012 Recommendation.

Where gaps exist in Members' systems, it is frequently because the ECA concerned has no experience of projects with potential adverse environmental and/or social impacts: for example, four Members (as well as the four Members that have not responded to the Survey) have never received an application needing to be classified as either a Category A or Category B project. Even so, all Members are encouraged to have appropriate policies and procedures in place to deal with such an eventuality.

This Review also shows that some ECAs go beyond the requirements of the 2012 Recommendation, for example, by applying their policies and procedures to all applications, adopting additional measures for undertaking due diligence, and making additional information publicly available.

Last, this Review includes some examples provided by ECAs of their experiences of specific situations, such as declining official support and dealing with non-compliance situations; however, for a full picture of Members' implementation of the 2012 Recommendation, this Review should be read in conjunction with the Reviews of Category A and Category B projects reported by Members, which are available on the OECD website.

Members were invited to review an initial provisional version of this document at their 139th Meeting, held on 18 November 2015, and to provide any comments, including, if necessary, any updates to their Survey responses, by end-November 2015. Given the number of comments provided by Members, a revised provisional version of this document was issued on 8 January 2016 with a request for further comments by 22 January 2016. This final version of the Review is now issued as an unclassified document and will be made publicly available on the OECD website.

REVIEW OF MEMBERS' RESPONSES TO THE ENVIRONMENTAL AND SOCIAL SURVEY

I. Introduction

1. This document contains a Review of Members' responses to the *Environment and Social Survey* (the "Survey") [TAD/ECG(2013)2/FINAL¹]. Its aim is to evaluate implementation of the *Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence* (the "Common Approaches") [TAD/ECG(2012)5²] by reviewing the policies and procedures that Members of the OECD Working Party on Export Credits and Credit Guarantees (ECG) have put in place to address environmental and social issues in the context of providing officially supported export credits.

II. Background

2. Following adoption by the OECD Council of the Common Approaches in June 2012, the ECG agreed a Survey of Members' policies and procedures in order to help monitor implementation of the Common Approaches. This Survey is aimed at Members' Export Credit Agencies (ECAs), which are responsible for providing the officially supported export credits on behalf of governments; in practice, such ECAs can be government departments, stand-alone agencies or commercial institutions administering an account for their government, separate from the commercial business of the institution.

3. Members were initially invited to complete the Survey in 2013 and their responses were made publicly available on the OECD website³. In this context, responses to the Survey were received from 28 out of 32 ECG Members⁴. The four Members that did not complete the Survey were: Greece, Ireland, Israel and Mexico⁵. In addition, Estonia only completed the first part of the Survey (General Principles and Screening) as it has not yet screened any transactions falling under the Common Approaches. At the same time, separate responses were received from both the ECAs of the Czech Republic, Japan, Korea, Norway and Sweden. In total, therefore, responses were received from 33 Members/ECAs.

4. Since then, Members have been invited to ensure that their responses to the Survey are up-to-date and, in this context, several Members have updated their responses since October 2013: such updates are also publicly available on the OECD website.

¹ [http://search.oecd.org/officialdocuments/displaydocumentpdf/?cote=tad/ecg\(2013\)2/final&doclanguage=en](http://search.oecd.org/officialdocuments/displaydocumentpdf/?cote=tad/ecg(2013)2/final&doclanguage=en).

² [http://search.oecd.org/officialdocuments/displaydocumentpdf/?cote=tad/ecg\(2012\)5&doclanguage=en](http://search.oecd.org/officialdocuments/displaydocumentpdf/?cote=tad/ecg(2012)5&doclanguage=en).

³ <http://www.oecd.org/tad/xcred/ess-2013-responses.htm>.

⁴ Of the 34 Members of the OECD, only Chile and Iceland are not ECG Members.

⁵ Greece has declined to complete the Survey as it does not currently provide export credits support for transactions that might fall within the scope of the 2012 Common Approaches and Ireland is not expected to respond to the Survey as it has no official export credits support programme; however, responses may still be provided by Israel and Mexico.

5. In accordance with the provisions of the ECG peer review process⁶ agreed by Members at the 116th ECG Meeting held in November 2008, Civil Society Organisations (CSOs)⁷ were invited to review Members' responses and to provide comments. In this context, comments were received from six members of the ECA Watch network of Non-Governmental Organisations (NGOs): these comments were presented to the ECG for discussion at its 134th Meeting, held in March 2014.

6. For information, the Survey responses and this Review will help inform Members' monitoring of the Common Approaches, including the work of their Practitioners' to build a body of experience on the application of the Common Approaches, and relevant findings will help inform an ECG report to the OECD Council on the implementation of the Common Approaches.

7. Last, although this is the first Review of Members' policies and procedures under the Common Approaches, Reviews have been undertaken in the past in respect of previous versions of the Common Approaches⁸: more information is available on the OECD website⁹.

III. Detailed review of the responses to the Survey

8. This Section of the Review contains a review of Members' responses to the Survey; however, some responses to the Survey contain explanatory information and comments, which it is not possible to analyse in this type of Review; however, an overview of the responses and of Members' approaches to specific situations is provided. In addition, the Secretariat has occasionally had to interpret the responses provided by Members to certain questions, given the responses and/or comments provided elsewhere by the Member concerned. Also, where questions and Members' responses are for information and transparency only, this Review illustrates the approaches taken to specific situations by stating how many ECAs choose different options, but without always providing a full list of ECAs.

9. For a full picture of a Member's policies and procedures, the Review should be read in conjunction with Members' actual responses, which are available on the OECD website, and, for implementation aspects, with the Reviews of Category A and Category B project supported by Members¹⁰. Any questions concerning individual responses to the Survey should be addressed to the Member concerned.

⁶ [http://www.oecd.org/officialdocuments/displaydocument/?cote=tad/ecg\(2008\)23&doclanguage=en](http://www.oecd.org/officialdocuments/displaydocument/?cote=tad/ecg(2008)23&doclanguage=en).

⁷ The Business and Industry Advisory Committee to the OECD (BIAC), the Coalition for Employment through Exports (CEE), the ECA Watch network of Non-Governmental Organisations (NGOs), the Equator Principles Financial Institutions (EBFIs), the European Banking Federation (EBF) and the Trade Union Advisory Committee to the OECD (TUAC).

⁸ The 2003 *Recommendation on Common Approaches on Environment and Officially Supported Export Credits* [TD/ECG(2003)13/REV2, subsequently replaced by TD/ECG(2005)3] and the 2007 *Revised Council Recommendation on Common Approaches on the Environment and Officially Supported Export Credits* [TAD/ECG(2007)9].

⁹ <http://www.oecd.org/tad/xcred/environment-surveys-and-responses.htm>.

¹⁰ Reviews of Category A and Category B projects supported under the Common Approaches are made available on the OECD website at <http://www.oecd.org/tad/xcred/categoryaandcategorybprojects.htm>.

10. This Section of the Review contains the following sub-sections, which reflect the structure of both the Common Approaches and the Survey, namely:

- (i) General Principles
- (ii) Screening
- (iii) Classification of Projects
- (iv) Environmental and Social Review
- (v) Evaluation, Decision and Monitoring
- (vi) Exchange and Disclosure of Information
- (vii) Reporting and Monitoring of the Recommendation

(i) **GENERAL PRINCIPLES**

(a) *Objectives*

1. Please describe the policies and procedures that you have established to support the objectives of the Recommendation. Please include details about your organisational structure, the operational process and supporting tools.

11. The objectives of the Common Approaches and the actions that Members should take to achieve these objectives are set out in Paragraphs 3 and 4 of the Common Approaches: in this context, this question is intended to allow ECAs to provide a general, high-level description of, or statement about, their policies and procedures with regard to environmental and social issues, including any particular aspects that they would wish to highlight, for the benefit of stakeholders when these responses are made publicly available.

12. All 33 ECAs responded to this question; however, given the nature of the question and the variety of the responses, these have not been analysed for this Review.

2. Please provide a link to the environmental and social due diligence page of your institution's website.

13. In order to provide stakeholders with additional information on their environmental and social due diligence, the Survey invites ECAs to provide a link to the relevant due diligence page of their websites.

14. Of the 33 ECAs that responded to the Survey, 32 ECAs provided links to the website pages where additional information might be found, either specifically relating to environmental and social due diligence or more generally relating to corporate responsibility (*i.e.* covering also anti-bribery issues, transparency, etc.). Of these, 26 ECAs provided links directly to website pages in English: those that provided links to website pages in their own language were: France, Germany, Slovenia and Spain. All website links provided have been made available on the OECD website.

15. The only ECA not to provide a link was Estonia (KREDEX), which reported that it had not developed a specific website page for environmental and social due diligence as it had yet to screen any transactions falling under the Common Approaches.

(ii) **SCREENING**

(a) *Exemptions*

3. Are all applications (apart from those related to military equipment and agricultural commodities) screened? If no: please provide details of any exemptions from screening, including:

- (a) value of any threshold used;
- (b) details of any products exempt from screening; and
- (c) details of any other exemptions from screening.

16. The Common Approaches states that “*Members should screen all applications for officially supported export credits covered by this Recommendation*” [Paragraph 5] and that “*This Recommendation applies to all types of officially supported export credits for exports of capital goods and/or services, except exports of military equipment or agricultural commodities, with a repayment term of two years or more*” [Paragraph 2]. At the same time, Footnote 1 recalls that “*It is recognised that not all ECA products fall within the scope of this Recommendation, for example, those where the risk is on the exporter (such as, but not limited to, support for bonds and working capital) and there is no application relating to the same project for a product where the risk of non-payment is on the buyer.*”

17. In response to the question, 21 ECAs responded that they screen all applications for support without any exceptions; the remaining ECAs screen applications in line with the provisions of the Common Approaches, *i.e.* applications with a repayment term of two years or more apart from those related to military equipment and agricultural commodities, albeit that some ECAs, such as Finland, France, Portugal and New Zealand also noted that, on a case-by-case basis, applications that are not covered by the Common Approaches might also be subject to screening and due diligence.

18. In terms of exceptions based on a value threshold, New Zealand reported that it only screens applications for transactions with a value of NZD 20 million (approximately SDR 10.5 million) or more, and the Czech Republic/EGAP, Finland and France noted that, in line with paragraph 6 of the Common Approaches, they would screen applications where their share is below SDR 10 million when exports are destined to identified locations that are in or near sensitive areas. In addition, the Czech Republic/CEB noted that it does not screen applications insured by EGAP; however, for the purposes of this Review, this has not been included as an exception from screening as the applications are still being screened by an OECD ECA applying the Common Approaches.

19. A number of ECAs reported that they do not screen certain products, in line with the provisions of Footnote 1 of the Common Approaches:

- Denmark: letters of credit below SDR 10 million and below 2 years repayment;
- Finland: export financing guarantees relating to shipyards and shipping companies, environmental guarantees, Finnvera guarantees, finance guarantees and bond guarantees;
- New Zealand: bonding and loan guarantee support where repayment/performance rests with the exporter;
- Sweden/EKN: short-term letter of credit guarantees and working capital guarantees;
- The United Kingdom: bond support, credit insurance, and export working capital; and
- The United States: applications for working capital (pre-export) financing.

20. Last, Norway specified that GIEK also screens bond support and that both Eksportkreditt and GIEK screen mobile assets, such as ships and offshore units; in contrast, the following ECAs reported exempting certain mobile assets from screening:

- The United Kingdom: civil aircraft, in which case, UKEF must be satisfied that they conform to EU, US and International Civil Aviation Authority environmental and noise standards¹¹; and
- The United States: all aircraft transactions, which are automatically classified as Category C.

(b) *Information requirements*

4. What information is required for the screening process?

21. The Common Approaches does not refer to the information that should be required for the screening process, but states that “*The parties involved in an application...should provide all information necessary to carry out the screening*” [Paragraph 5]. This question and its responses are, therefore, for information and transparency. In this context, ECAs reported the following:

- 15 ECAs rely initially on environmental and social information provided in response to questions in their application forms for screening transactions;
- 13 ECAs have developed separate environmental and social questionnaires that applicants are required to complete, as well as the application form, in order for screening to take place; and
- 5 ECAs (Austria, Belgium, Norway/Eksportkreditt, Norway/GIEK and Sweden/EKN) have developed sector-specific or issue-specific questionnaires that applicants are required to complete, when relevant, in addition to any standard application form or environmental and social questionnaire.

22. In addition, Korea/K-sure noted that it would use an Environmental and Social Impact Assessment (ESIA) report to screen, if available, and Sweden/EKN noted that it would refer to Maplecroft (an on-line commercial assessment tool) to help screen for potential social impacts, including with regard to human rights.

23. Last, many ECAs noted that, depending on the type of transaction and the initial responses provided, they would, where appropriate, follow-up with additional questions to applicants and undertake searches for publicly available material relating to the environmental, social and/or human rights risks relating to the project location, sector, etc.

(c) *Responsibility for screening*

5. Who is responsible for screening applications?

24. The Common Approaches does not refer to who, within an ECA, should screen applications. This question and its responses are, therefore, for information and transparency: in this context, ECAs reported the following:

- 9 ECAs: the underwriters are responsible for screening applications;

¹¹ For information, France and Germany similarly exclude airplanes from the scope of application of the Common Approaches.

- 11 ECAs: the Practitioners are responsible for screening applications;
- 10 ECAs: both the underwriters and the Practitioners may be responsible for screening applications, usually depending on the type of transaction and the responses provided in the application documentation; and
- 3 ECAs: the underwriters or Practitioners might be assisted by ECA-retained consultants when screening applications.

25. In addition, Canada noted that for some small transactions, applicants are able to screen the transaction based on responses in the application documentation.

(d) *Screening policies*

6. Do you have policies and procedures in place to identify exports of capital goods and services destined to:
- (a) Projects or to existing operations as defined in the Recommendation? If yes, please provide details.
 - (b) Identified locations that are in or near sensitive areas? If yes, please provide details.

26. According to Paragraph 6 of the Common Approaches, screening should identify applications relating to exports of capital goods and/or services according to:

- Whether they are related to projects or to existing operations as defined in Section I of the Common Approaches.
- Whether or not the exports are destined to identified locations that are in or near sensitive areas.

27. This question therefore seeks information on how ECAs screen applications according to these two criteria¹². In this context, all 33 ECAs reported that they have policies and procedures in place to identify whether the exports of capital goods and services are destined to projects or to existing operations, as defined in the Common Approaches, and to identified locations that are in or near sensitive areas. Many ECAs also noted that this identification is undertaken based on the information provided in the application documentation and, where relevant, on the responses to follow-up questions to applicants.

28. In addition, three ECAs (Denmark, Switzerland and the United Kingdom) noted that they would refer to reputable on-line sources, such as the Danish Institute for Business & Human Rights, google earth, IBAT, UNESCO, etc. to supplement the information provided by the applicant. Last, Norway/GIEK noted that, under its policy, the term “sensitive areas” was defined as including both environmental sensitive areas and areas with human rights and labour risks.

(e) *Classification system*

29. For the remaining Survey questions, Estonia has responded that it has not received any applications falling under the Common Approaches and that consequently it has not put in place any measures beyond screening of applications. As a result, for the remainder of this Review, the responses reviewed are from 32 ECAs only.

¹² Paragraph 6 of the Common Approaches includes a third criteria: whether the Member’s share is equal to or above SDR 10 million; however, as this information is obtainable direct from the application documentation, further questions on policies and procedures relating to application volumes was not considered necessary in the Survey.

7. Do you classify applications described in paragraph 8 of the Recommendation? If yes, how do you classify such applications?

30. Paragraph 8 of the Common Approaches relates to the treatment of applications identified during screening as related to existing operations as defined in Section I of the Common Approaches¹³: in this context, it gives Members the option of either assessing such applications for their potential environmental and/or social risks¹⁴ or classifying such applications in accordance with Section IV of the Common Approaches and thus, if classified as Category A or Category B projects, subject to the appropriate environmental and social review, in accordance with Section V of the Common Approaches.

31. This question therefore seeks information on whether Members classify such applications and, if so, how: in this context, ECAs reported the following:

- 3 ECAs (Austria, Canada and Switzerland) do not classify such applications;
- 5 ECAs (Finland, Germany, Italy, the Netherlands and Spain) classify such applications using an internal “EO” category (in the case of the Netherlands, called an “M” category); and
- The remaining 24 ECAs classify such applications using the Category A, B, C classification system in accordance with Section IV of the Common Approaches. Several ECAs commented that, in many cases, given the lack of material change in output or function of existing operations, such applications are classified as Category C, but that, where potential environmental and social impacts are identified, they may be classified as Category B or Category A and subject to the appropriate environmental and social review, in accordance with Section V of the Common Approaches.

32. Please see the responses to Question 42 for further information on Members’ policies and procedures for assessing the environmental and social risks associated with existing operations.

8. Do you classify applications described in paragraph 9 of the Recommendation? If yes, how do you classify such applications?

33. Paragraph 9 of the Common Approaches states that “*beyond screening, no further action is required under the provisions of the Recommendation for applications relating either to projects for which a Member’s share is below SDR 10 million and which are not in or near sensitive areas, or to existing operations for which a Member’s share is below SDR 10 million*”.

34. This question therefore seeks information on how Members treat such applications: in this context, ECAs reported the following:

- Seven ECAs (Germany, Korea/KEXIM, Poland, Slovenia, Switzerland, Turkey and the United Kingdom) do not classify such applications;
- One ECA (Finland) classifies such applications using its special “EO” category;

¹³ “Existing operations” refer to applications relating to exports of capital goods and/or services to an identified location where there is an existing undertaking that is undergoing no material change in output or function.

¹⁴ Paragraph 8 of the 2012 Common Approaches includes certain factors that should be taken into account during such assessments, *i.e.* industry sector, location and other information available relating to potential environmental and/or social impacts, before any final commitment to provide official support is made.

- Two ECAs (Canada and Spain) differentiate between those applications that are project-related, which are classified in accordance with Section IV of the Common Approaches (Canada) or as Category C projects (Spain), and non-project-related applications, which are classified as “non-projects” (Canada) or using a special “EO” category (Spain); and
- The remaining ECAs classify such applications using the Category A, B, C classification system in accordance with Section IV of the Common Approaches; in many cases, such applications are classified as Category C.

(iii) **CLASSIFICATION**

9. Do you have policies and procedures in place to identify the potential positive and negative environmental and social impacts relating to the applications to be classified? If yes, please provide details, including any specific tools employed.

35. Paragraph 10 of the Common Approaches states that Members should “*identify the potential positive and negative environmental and social impacts relating to the applications to be classified*”.

36. This question therefore seeks information on the policies and procedures Members have in place to undertake this identification: in this context, all 32 ECAs reported having policies and procedures in place.

37. Of those ECAs that provided details, ten ECAs referred to their internal guidelines for classifying projects and eight ECAs noted that they had incorporated provisions from the Common Approaches, such as Paragraph 11 and Annex I, into their internal guidelines for classifying projects.

38. In addition, a number of ECAs provided details of the information required for classification, such as application forms, ESIA reports, supplemental documentation, internet searches, etc. and of the tools sometimes used, for example, Maplecroft, BAT reference documents, internal checklists, etc.

39. Last, some ECAs noted that project classification is undertaken on a case-by-case basis and that, consequently, information requirements and classification tools will vary; as a result, the experience, knowledge and professional judgement of those responsible for classifying applications and undertaking environmental and social due diligence was considered important.

(a) *Responsibility for classification*

10. Who is responsible for the classification of applications?

40. The Common Approaches does not refer to who, within an ECA, should classify applications. This question and its responses are, therefore, for information and transparency: in this context, ECAs reported the following:

- 1 ECA: the ECA Board is responsible for classifying applications, on the advice of the underwriter;
- 2 ECAs: the underwriters are responsible for classifying applications;
- 15 ECAs: the Practitioners are responsible for classifying applications;
- 10 ECAs: both the underwriters and the Practitioners may be responsible for classifying applications; for example, underwriters may classify non-projects or those applications that may

be classified as Category C and Practitioners are responsible for classifying the remaining applications; and

- 4 ECAs: the underwriters or Practitioners might be assisted by ECA-retained consultants when classifying applications.

41. In addition, Switzerland noted that, when collaborating with other ECAs on a project, it might consider the classification attributed by those ECAs.

(iv) ***ENVIRONMENTAL AND SOCIAL REVIEW***

(a) *Scope and criteria*

11. Do you have policies and procedures in place for reviewing projects when supporting exports forming only a minor part of a project [*i.e.* co-insuring / financing with another Export Credit Agency (ECA), Multilateral Financial Institution (MFI) or development agency] or in re-insurance situations? If yes, please provide details.

42. Paragraph 14 of the Common Approaches states that Members supporting exports forming only a minor part of a project or in re-insurance situations “*may take into account the environmental and social review carried out by another Member, a Major Multilateral Financial Institution or a Member’s development agency in accordance with this Recommendation.*”

43. This question therefore seeks information on any policies and procedures Members have in place for reviewing projects in such circumstances.

44. In response, two ECAs (Poland and the Slovak Republic) do not have specific policies and procedures in place for reviewing projects when supporting exports in co-insuring, co-financing or re-insurance situations; however, Poland noted that it would, at the earliest stage possible, co-operate with other ECAs involved in the transaction.

45. All other ECAs have specific policies and procedures in place. In this context, seven ECAs (France, Japan/JBIC, Japan/NEXI, Korea/KEXIM, Sweden/SEK, the United Kingdom and the United States) would always conduct their own review, albeit that France, Japan (JBIC and NEXI) and the United Kingdom noted that they may take into account a review undertaken by another financial institution, for example, in re-insurance situations or co-financing situations, another ECA applying the Common Approaches. In contrast, two ECAs, Belgium and Turkey responded that they would always rely on the review carried out by another ECA, MFI or development agency.

46. The remaining 22 ECAs may take into account a review carried out by another ECA, MFI or development agency: in many cases, ECAs noted that, in practice, this means that they would consider any information provided by another financial institution when undertaking their own review, for example, when another party had easier access to information or was involved in a project at an earlier stage. Of these, five ECAs (the Czech Republic/EGAP, Germany, Italy, Spain and Switzerland) noted that they would be more likely to rely on a review undertaken by another ECA when in a re-insurance situation than when co-insuring or co-financing.

12. Do you have policies and procedures in place for assessing, where appropriate, the potential environmental and/or social impacts of any associated facilities? If yes, please provide details.

47. Paragraph 15 of the Common Approaches states that, when undertaking a review, Members should, where appropriate, “*assess the potential environmental and/or social impacts of any associated facilities, taking into account the timing and location of their construction, including making reasonable efforts to benchmark against relevant international standards using the available information*”.

48. This question therefore seeks information on any policies and procedures Members have in place for assessing, where appropriate, the potential environmental and/or social impacts of any associated facilities. In response, two ECAs (the Slovak Republic and Spain) reported that they do not have formal policies or procedures pertaining to associated facilities; however, in practice, they consider the potential impacts of associated facilities when these are relevant to the project due diligence on a case-by-case basis.

49. The remaining ECAs reported that they have policies and procedures in place for assessing, where appropriate, the potential environmental and/or social impacts of any associated facilities: of these, for example, Australia and Canada reported that they would refer to guidance in the IFC Performance Standards for such an assessment and the Czech Republic (CEB and EGAP) noted that it would review associated facilities in exactly the same way as an individual transaction.

50. Last, four ECAs (Germany, Italy, Japan/NEXI and Korea/KEXIM) noted that assessing associated facilities is often impacted by factors such as the timing of construction of such facilities, an ECA's ability to obtain relevant information and the amount of leverage an ECA had to influence the performance of the facilities.

13. Do you have policies and procedures in place for considering, where appropriate, any statements or reports from your National Contact Point (NCP)? If yes, please provide details.

51. Paragraph 15 of the Common Approaches also states that, when undertaking a review, Members should, where appropriate, “*consider any statements or reports made publicly available by their National Contact Points (NCPs) at the conclusion of a specific instance procedure under the OECD Guidelines for Multinational Enterprises*”.

52. This question therefore seeks information on any policies and procedures Members have in place for considering, where appropriate, any such statements or reports.

53. In response, six ECAs (Austria, Canada, the Netherlands, Slovenia, Sweden/SEK and the United States) specifically reported having a formal process for considering, where appropriate, any statements or reports from their NCP: for example, in the United States, all applications must be “cleared” by the US Department of State, which houses the NCP. In addition, 21 other ECAs reported that they have processes in place; however, from the responses, these are more *ad hoc* than formal, although some ECAs commented that they have established regular contacts with the NCPs in order to exchange information about on-going projects.

54. In contrast, three ECAs (the Czech Republic/CEB, New Zealand and Turkey) reported that they do not have any such policies or procedures in place. The remaining two ECAs (Denmark and Spain) reported that they are in the process of developing specific policies and procedures with regard to considering any statements or reports from their NCP.

(b) Category A projects

14. Under paragraph 17 of the Recommendation, Members should require an Environmental and Social Impact Assessment (ESIA) 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 ESIA has not been undertaken or for which either an ESIA report is not available for review or does not adequately address all the issues set out in Annex II of the Recommendation? If yes, please provide details, including the type of information that you would require in the absence of a (complete) ESIA.

55. As stated in the question, Paragraph 17 of the Common Approaches states that Members should “*require an Environmental and Social Impact Assessment (ESIA) to be undertaken for Category A projects*”.

56. This question therefore seeks information on any circumstances in which Members might accept to review a Category A project for which an ESIA has not been undertaken or for which an ESIA report is not available for review or is incomplete.

57. In response, 15 ECAs reported categorically that there are no circumstances in which they might accept to review a Category A project without an ESIA having been undertaken and a comprehensive ESIA report being made available for review. In contrast, one ECA, Canada, has a specific exception to this provision of the Common Approaches: for projects located in G7 countries, Canada concentrates on confirming compliance with host country standards, as these have been determined to be higher than the international standards referred to in the Common Approaches.

58. The remaining ECAs acknowledged that there may be situations where, exceptionally, they are not provided with up-to-date and comprehensive ESIA reports: for example, in some countries, ESIA reports are not a legal requirement and, in other countries, projects are only required to be benchmarked against local, rather than international, standards. In such circumstances, ECAs reported that, depending on the situation, they might require the ESIA (and the corresponding report) to be updated, to be carried out again to international standards or for its scope to be widened to fill identified gaps (for example, with regard to the inclusion of associated facilities).

59. Where it is not possible to obtain an up-to-date and comprehensive ESIA report, ECAs reported that they might accept alternative documentation, including from an independent consultant in the form of a gap analysis, in order to obtain all the information usually provided in an ESIA report, as set out in Annex II of the Common Approaches. Last, some ECAs reported that they may use covenants in the transaction documentation as a means to obtain supplementary information or address any residual information gaps, for example, *via* an enforceable environmental and social action plan.

(c) Category B projects

15. The scope of a review for Category B projects may vary from project to project. Please provide details of your general approach to reviewing Category B projects, including the type of information required under your policies and procedures.

60. Paragraph 18 of the Common Approaches states that “[*t*]he scope of a review for a Category B project may vary from project to project” and that appropriate information for undertaking the review of a Category B project may be contained “*in an ESIA or in project-related assessment reports, planning and concept documents, environmental and social studies and plans, technical documentation of pollution control plans and criteria, applicable legal and regulatory frameworks, community engagement activities*”.

(information disclosure, dissemination, consultation and other participatory processes) and information collected during discussions with applicants”.

61. This question therefore seeks information on Members’ approach to reviewing Category B projects, including with regard to the type of information required: in this context, the majority of ECAs reported that they treat Category B projects in a similar way to Category A projects and would request or require an ESIA report or equivalent documentation, depending on the potential impacts of the project. Additional information, such as environmental and social audits, environmental and social management plans, corrective action plans, hazard or risk assessments, monitoring plans and procedures, permitting documentation from relevant host country authorities, sector-specific questionnaires, might also be required and ECAs may also make use of internet tools and public-available information.

62. It was noted that the aim of obtaining this information is, as for Category A projects, to assess the potential negative and positive environmental and social impacts of a project and to evaluate any measures taken to prevent, minimise, mitigate or remedy any adverse impacts. As a result, the issues considered are similar to those for Category A projects, *i.e.* environmental impacts, labour issues, health and safety, resettlement, affected communities, etc.; however, the scope of review for Category B projects is, by definition, generally less comprehensive than for Category A projects.

(d) Responsibility for review

16. Who is responsible for undertaking the environmental and social review?

63. The Common Approaches does not refer to who, within an ECA, should undertake the environmental and social review. This question and its responses are, therefore, for information and transparency: in this context, ECAs reported the following:

- 3 ECAs: the underwriters are responsible for undertaking the environmental and social review;
- 3 ECAs: external consultants are responsible for undertaking the environmental and social review;
- 3 ECAs: both the underwriters and the Practitioners are responsible for undertaking the environmental and social review; this might be jointly or the underwriters might be responsible for reviewing Category B projects and the Practitioners for reviewing Category A projects; and
- 23 ECAs: the Practitioners are responsible for undertaking the environmental and social review.

64. In addition, 15 ECAs noted that they might use external consultants to assist the underwriters and/or Practitioners with environmental and social reviews, depending on the complexity of a project and the issues to be addressed.

(e) Standards for benchmarking projects

17. How do you seek assurance that a project is compliant with host country standards?

65. Paragraph 26 of the Common Approaches states that “[p]rojects should, in all cases, comply with host country standards” and that Members should, therefore, “seek assurance that the project complies with local legislation and other relevant host country regulations”.

66. This question therefore seeks information on how Members seek such assurance. From their responses, there are several methods ECAs use:

- Applicants are frequently required to confirm that a project complies with host country standards in application documentation;
- ECAs require documentary proof of compliance to be submitted in the documentation provided for their environmental and social review; for example, ESIA reports should address all host country compliance issues. Where an ESIA report is not available, ECAs require additional documentation to be provided, such as information on applicable national legislation, construction and operational permits, letters of approval from relevant host country authorities, etc.;
- ECAs may also visit relevant local authorities when undertaking site visits and/or communicate directly with them to obtain further confirmation of a project's compliance; and
- Last, ECAs are able to make compliance with host country standards a condition of support *via* the loan or guarantee documentation.

18. Paragraphs 20-21 of the Recommendation set out the general circumstances in which various international standards should be used for the purposes of evaluating the potential environmental and social impacts of projects. Please provide details of when, in practice, you would use the following international standards:

- (a) World Bank Safeguard Policies;
- (b) International Finance Corporation (IFC) Performance Standards; and
- (c) Multilateral Financial Institution (MFI) standards.

67. As stated in the question, Paragraphs 20-21 of the Common Approaches set out the general circumstances in which various international standards should be used for the purposes of evaluating the potential environmental and social impacts of projects.

68. This question therefore seeks information on the circumstances in which, in practice, Members use each of the listed international standards. By interpreting the responses to this question, it would appear that:

- Seven ECAs (Australia, Canada, Denmark, the Netherlands, Norway/Eksportkredit, Norway/GIEK and the United Kingdom) no longer use the World Bank Safeguard Policies for benchmarking projects and instead apply the IFC Performance Standards for all projects;
- Nine ECAs (Austria, Finland, France, Germany, Hungary, Japan/NEXI, Portugal, the Slovak Republic and Turkey) reported that, in principle, they use the World Bank Safeguard Policies for all non-project finance projects and the IFC Performance Standards for all project finance projects (or similar); however, Finland also noted that it would commonly use the IFC Performance Standards for non-project finance Category A projects and Germany noted that it might also use the IFC Performance Standards if the IFC, an MFI or an EPFI are involved in the project, if an ESIA is undertaken applying the IFC Performance Standards, or if the use of such standards is of benefit to the applicant;
- Two ECAs (the Czech Republic/CEB and Slovenia) reported that they use both the World Bank Safeguard Policies and the IFC Performance Standards on a case-by-case basis; and
- The remaining ECAs reported that, in principle, they use the IFC Performance Standards for all projects; however, they also noted that there may be occasions when the World Bank Safeguard Policies might be used: for example, for non-project finance projects where it is not practicable to

apply the IFC Performance Standards, or as complementary standards relating to issues such as safety of dams, international waterways and disputed areas.

69. Last, the majority of ECAs responded that they would be prepared to use the standards of another Multilateral Financial Institution (MFI) when such an institution was involved in a project; only Canada reported that it would never use such standards. In addition, the United Kingdom noted that it might apply the IFC/EBRD Guidance Note on Workers' Accommodation, where relevant and applicable.

19. Do you have policies and procedures in place for dealing with cases where projects do not meet the international standards or guidelines against which they have been benchmarked? If yes, please provide details.

70. Paragraph 28 of the Common Approaches states that “[i]n exceptional cases...a Member may decide to support a project that does not meeting the relevant aspects of the international standards against which it has been benchmarked”.

71. This question therefore seeks information on any policies and procedures Members have in place for dealing with cases where projects do not meet the international standards against which they have been benchmarked.

72. To put this question and ECA responses into context, a number of ECAs recalled that many international standards contain margins of tolerance in how their overall objectives might be achieved [Paragraph 27 of the Common Approaches also refers] and that many standard-setting bodies, such as the IFC, prefer to work with project sponsors to improve a project's environmental and/or social performance over time. As a result, this question should be seen only to refer to projects that are not designed to meet international standards and guidelines and will never do so.

73. Five ECAs (the Czech Republic/CEB, Poland, the Slovak Republic, Spain and Turkey) reported that they do not have specific policies and procedures in place for dealing with such projects, preferring instead to deal with them on a case-by-case basis.

74. The remaining ECAs all reported that they have specific policies and procedures in place for dealing with such projects. A number of ECAs, such as Australia, reported specifically that it is not their policy to support projects that do not meet the relevant benchmarks, whatever the external factors or justifications, and many others noted that, as outlined in the Common Approaches, support for such projects should remain exceptional and the related justification should be reported to the OECD so that it might be made publicly available.

75. For information, several ECAs provided information on the steps they take when faced with applications for projects that do not meet, or are not designed to meet, relevant international standards at the time of final commitment. Such steps may include:

- Identification of the gaps between project performance and international standards;
- Engagement with the applicant, project sponsor and/or host government to explore and implement improvements to bridge such gaps;
- Consideration of the potential positive effects of the project on society, the environment and the local economy;
- Development of Environmental and Social Action or Management Plans, which might be included in the cover documentation to ensure improvements to the environmental and/or social performance of a project; and

- Referral of any decision to approve or refuse cover to a senior level (for example, ECA Board or Guardian Authority), particularly for projects with broader political implications.

(f) *Site visits*

20. Please specify the circumstances in which you might carry out a site visit as part of the review process.

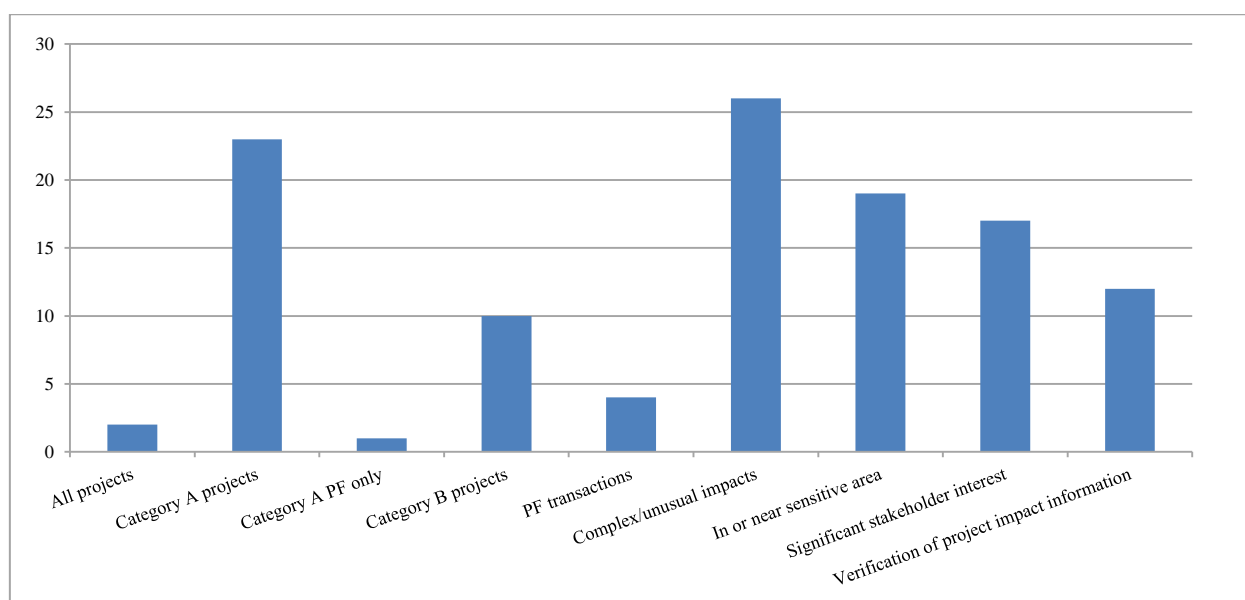
76. The Common Approaches does not contain provisions relating to undertaking site visits. This question and its responses are, therefore, for information and transparency: in this context, the Survey template provides ECAs with a range of options to choose, indicating the types of project they usually visit (multiple responses permitted). ECAs reported the following (Chart 1 refers):

- 2 ECAs reported that they might undertake site visits on all projects and 10 ECAs reported that they might undertake site visits on all Category A and Category B projects; and
- 13 ECAs reported that they usually undertake site visits for all Category A projects and 1 ECA reported that it undertakes site visits for all project-finance Category A projects.

77. Of these 26, all but two ECAs reported that they are more likely to undertake site visits to projects involving particularly complex or unusual potential impacts, to projects located in or near sensitive areas, to projects generating significant stakeholder interest or to verify project impact information.

78. For the remaining six ECAs: one ECA prefers external consultants to undertake site visits, when necessary, on its behalf, and five ECAs undertake site visits on a case-by-case basis, for example, to projects involving particularly complex or unusual potential impacts.

Chart 1: Reasons for undertaking site visits



(v) **EVALUATION, DECISION AND MONITORING**

(a) *Providing official support*

21. Who is responsible for deciding whether to decline or provide official support and, in the event that support is to be provided, whether this should involve conditions to fulfil?

79. The Common Approaches does not refer to who, within an ECA, is responsible for deciding whether to decline or provide official support and, in the event that support is to be provided, whether this should involve conditions to fulfil. This question and its responses are, therefore, for information and transparency: in this context, ECAs reported the following:

- One ECA reported that its underwriters are solely responsible for cover decisions;
- Four ECAs reported that their Guardian Authorities are solely responsible for decisions on whether to decline or provide official support and five other ECAs reported that Guardian Authorities may be involved in decisions to provide support along with senior ECA staff and/or committees, depending on the complexity and potential impacts of a project; and
- All other ECAs reported that senior ECA staff and/or committees are responsible for deciding whether to decline or provide official support, in accordance with their internal delegated approvals policies and processes and, in most cases, with relevant input from both underwriters and Practitioners, such as transaction information and environmental and social impact information respectively.

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

80. Paragraph 29 of the Common Approaches states that Members should “*evaluate the information resulting from screening and review of a project, and decide whether to request further information, decline or provide official support*”.

81. This question therefore seeks information on the circumstances in which Members would consider denying support on account of the environmental and social impacts of a project: in this context, ECAs will consider denying support for a variety of reasons, including, but not limited to:

- There is insufficient environmental and social impact information to undertake a comprehensive due diligence process.
- A project does not comply with host country standards or meet relevant international standards and the Environmental and Social Action or Management Plans are insufficient to prevent, minimise, mitigate or remedy potential adverse impacts.
- Applicants or project sponsors are unwilling to accept the conditions to fulfil prior to or after a final commitment, as proposed by the ECA.
- The provisions of the Common Approaches are not followed, for example, project sponsors are unwilling to allow an ESIA report to be made publicly available at least 30 calendar days before a final commitment.
- The support requested is only for a minor part of a project and the ECA lacks leverage to influence the project performance: in such circumstances, an ECA may decline to provide official support for reputational reasons.

82. In addition, Canada provided additional information on its cover policy, noting that projects have to meet at least one of the following criteria in order to be accepted: 1) the adverse environmental and social effects, taking into account mitigation measures, associated with the project are not, in EDC's view, significant; 2) EDC is satisfied that the project is designed to meet or exceed internationally recognised good practices, guidelines or standards; 3) the project represents an opportunity to improve environmental conditions in the host country above base-line conditions; or 4) the project provides the opportunity to transfer environmentally sound technologies, services and knowledge to, or for the benefit of, the host country. Also, Norway (Eksportkreditt and GIEK) reported that it always declines projects that are located in non-self-governing territories, such as West Sahara, as recommended by the Norwegian authorities.

83. ECAs may also decline support for non-environmental or social reasons, for example, the financial risks of a transaction; however, these issues are not part of the current Survey.

84. With regard to experience of declining projects, many ECAs noted that they either inform applicants that support will not be provided early in the due diligence process or encourage applicants to withdraw applications, rather than continue the application process through to an official decision and rejection for environmental and/or social reasons. Even so, a number of ECAs have experience of declining support and provided additional information, including:

- Canada has declined participation in select mining, oil and gas, and power projects in several regions.
- Germany has declined support for exports to specific projects in sensitive sectors (such as hydro-power or pulp and paper) or in sensitive areas.
- Italy has declined support for a Category A project in a sensitive location, which was already under construction and for which only a draft ESIA with relevant gaps was undertaken; in the absence of Environmental and Social Management or Action Plans and with no direct contact with the project sponsor and a lack of willingness by other project parties to work on solutions, SACE declined support.
- The Netherlands has declined support for five projects on environmental and social grounds, for example, where the permits and acceptance of an EIA were in place before all formal procedures had been finished and where there were significant negative ecological impacts without the proper mitigation and compensation measures.
- Norway/GIEK has declined an application relating to mobile units that were to be used within the exclusive economic zone of West Sahara (a non-self-governing territory).
- Sweden/EKN has recently rejected support for an export to a project in Egypt where the buyer was under criminal investigation.
- Switzerland has rejected applications where the ESIA has been based on national standards and the gaps between those standards and relevant international standards could not be adequately addressed.

85. Although most ECAs were not willing to provide named examples of projects they have declined (for reasons of commercial confidentiality), the following examples were provided:

- Ilisu dam and hydropower project (Austria)
- Sakhalin project (Belgium)
- Paradip Refinery Project, India (the United Kingdom)
- Three Gorges hydropower project and Camisea LNG (the United States)

86. In addition, Turkey reported that, when insufficient environmental and social impact information has been provided, rather than denying support for a project, it can issue a waiver letter extending the timeframe for the borrower/buyer to submit the necessary documentation: in this context, Turkey noted that it signed such a letter for an export to the Akim Oda, Akwatia and Winneba Water Projects, to allow the Ministry of Finance and Economic Planning of Ghana time to provide the environmental and social permits as a Conditions Precedent of the Facility Agreement.

(b) *Conditions to official support*

23. How are environmental and/or social conditions to be fulfilled prior to, or after, the final commitment for official support incorporated into documentation? Please provide details and examples of any environmental and/or social conditions used.

86. Paragraph 30 of the Common Approaches states that Members should, in the event that support is to be provided, “*decide whether this should involve conditions to fulfil prior to, or after, the final commitment for official support, for example, measures to prevent, minimise, mitigate or remedy potential adverse environmental and social impacts, covenants and monitoring requirements*”.

87. In response to this question, all ECAs reported that they have policies and procedure in place to be able to include environmental and/or social conditions for support in the guarantee documentation or loan agreement, depending on the type of cover provided: such conditions are, therefore, negotiated prior to a final commitment being given; however, they might be conditions precedent, *i.e.* measures to be undertaken prior to the final commitment, or on-going conditions to be met during the construction and/or operational phase of the project, *e.g.* measures to be undertaken prior to each drawdown from a loan. Failure to fulfil any of the documented conditions for support may lead to the suspension of loan disbursements, calling of an Event of Default, cancellation of cover, etc.

88. Some ECAs noted that the conditions they apply to projects are decided on a case-by-case basis, but may include some standard conditions, such as: compliance with host country standards and international standards, compliance with Environmental and Social Management and Action Plans (including any mitigation measures outlined therein), submission of relevant warranties, representations and monitoring reports, timely reporting of any incidents and accidents, future access to the project site, agreement to provide remedy plans in case of future non-compliance, etc.

89. In addition, some examples of specific conditions were provided by some ECAs, such as: project decommissioning in accordance with an agreed plan; development of a stakeholder engagement plan, grievance mechanism procedure or labour handbooks; submission of supplementary studies or updated ESIA reports; monitoring of impacts on birds and bats; etc.

(c) *Monitoring*

24. Do you have policies and procedures in place for monitoring, as appropriate, the implementation of a project to ensure compliance with the conditions of your official support? If yes, please provide details, including types of projects, monitoring frequency/period and content.

90. Paragraph 31 of the Common Approaches states that Members should “*ensure that appropriate procedures are in place to monitor the project, regardless of its classification, in order to ensure compliance with the conditions of their official support*”.

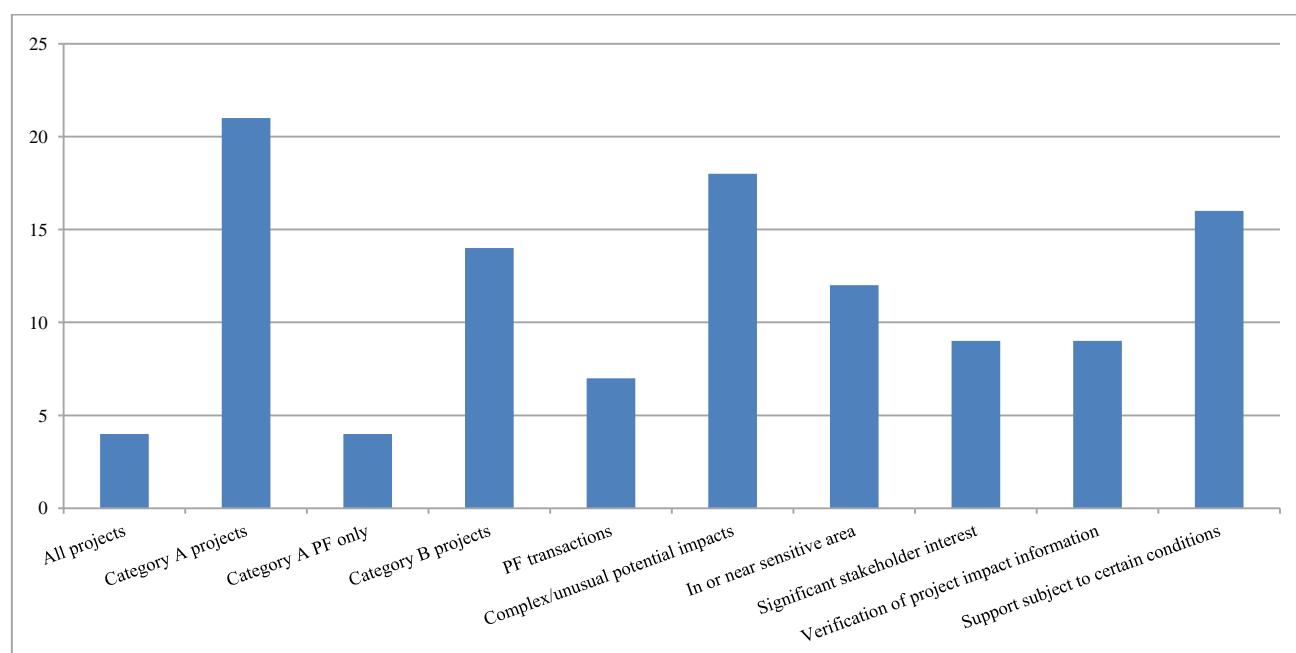
91. In addition, Paragraph 32 of the Common Approaches states that *“for all limited or non-recourse project finance Category A projects, Members should require regular ex post reports and related information to be provided during their involvement in the project to ensure that relevant potential environmental and/or social impacts are addressed according to the information provided by applicants during the environmental and social review”*.

92. This question therefore seeks information on whether Members have any policies and procedures in place for monitoring, as appropriate, the implementation of a project to ensure compliance with the conditions of official support: in this context, all ECAs responded that they have relevant policies and procedures in place, with the exception of Spain, which noted that it does not have specific policies or procedures as such, but that, in practice, it incorporates monitoring requirements in almost all Category A projects and some Category B projects based on the conditions of support.

93. The Survey template provides ECAs with a range of options to choose, indicating the types of projects they typically monitor (multiple responses permitted): in this context, ECAs reported the following (Chart 2 refers):

- 4 ECAs (Australia, France, New Zealand and Turkey) indicated that they generally undertake monitoring, as appropriate, on all projects and 13 ECAs reported that they might undertake monitoring, as appropriate, on all Category A and Category B projects;
- 7 ECAs (Austria, Finland, Hungary, Korea/KEXIM, Korea/Ksure, Poland and Sweden/EKN) reported that they generally undertake monitoring on all Category A projects and a further 3 ECAs (Germany, the Netherlands and Switzerland) reported that they monitor all Category A project finance transactions; and
- For the remaining 5 ECAs (Denmark, Italy, Luxembourg, Portugal and Spain), the principal trigger for undertaking monitoring is the presence of conditions of support in the transaction documentation, rather than the project classification or financial structure of the transaction.

Chart 2: Types of projects monitored



94. With regard to the frequency of monitoring, the majority of ECAs reported that, for both the construction and operational periods of a project, it would be decided on a case-by-case basis, as set out in the transaction documentation (for example linked to specific milestones or events, such as a loan drawdown), and would depend on the complexity and the potential impacts of the project. A number of ECAs also mentioned, however, that monitoring is more likely to be undertaken during the construction period (*i.e.* quarterly) than during the operational period (*i.e.* semi-annually) and/or that monitoring tends to be undertaken more frequently during the first few years of operation than later on (*i.e.* semi-annually for the first two years and annually thereafter).

95. Of those ECAs that provided specific frequencies for monitoring:

- Four ECAs (Belgium, Japan/JBIC, Korea/Ksure and the Netherlands) commented that they would typically undertake monitoring at least annually;
- Four ECAs (Germany, Korea/KEXIM, the Slovak Republic and Spain) commented that they would typically undertake monitoring semi-annually during construction;
- Two ECAs (the United Kingdom and the United States) commented that they would typically undertake monitoring quarterly during construction;
- One ECA (Denmark) reported that the frequency of monitoring during construction depends on the project sector, for example, projects in the oil & gas sector would be monitored quarterly, whereas projects in the wind sector would be monitored semi-annually;
- Four ECAs (Germany, Korea/KEXIM, Spain and the United Kingdom) commented that they would typically undertake monitoring annually during operation; and
- One ECA (the Slovak Republic) commented that it would typically undertake monitoring semi-annually during operation.

96. Last, ECAs reported that the scope of any monitoring undertaken and the content of any monitoring reports provided to them is project-specific and would depend on the particular conditions of support agreed in the transaction documentation; however, in general, ECAs expect to receive information showing how a project, in practice, is performing compared with the benchmark host country and international standards: in this context, any gaps need to be explained and remedies proposed. Some specific examples of monitoring reports provided were:

- environmental performance (*e.g.* air emissions, water discharges, waste management, noise measurements, etc.)
- social performance (*e.g.* grievance mechanism, public hearings, heritage findings, compensation activities, etc.)
- health and safety performance (*e.g.* statistics and details of incidents, lost time, training, etc.)
- development and implementation of Environmental and Social Management Plans
- situation on the field during construction (any claims or disputes, for example) etc.

<p>25. Who is responsible for undertaking monitoring of projects, including, if appropriate, making site visits, reviewing monitoring reports, deciding on compliance, etc.?</p>

97. The Common Approaches does not refer to who, within an ECA, is responsible for undertaking monitoring of projects. This question and its responses are, therefore, for information and transparency. In this context, it should be recalled that, in practice, project sponsors are responsible for monitoring projects

and that ECAs are only responsible for reviewing the resulting reports and, where appropriate, taking any relevant follow-up actions. The responses to this question were:

- 7 ECAs: the underwriters are responsible for undertaking monitoring, with input from Practitioners and/or ECA or external consultants, as appropriate;
- 20 ECAs: the practitioners are responsible for undertaking monitoring, of which 18 might also have input from ECA or independent consultants;
- 1 ECA: an ECA or independent consultant is responsible for undertaking monitoring;
- 2 ECAs: other ECA officers (*i.e.* portfolio management department, or risk department) are responsible for undertaking monitoring, with input from Practitioners and/or ECA or external consultants as appropriate; and
- Japan/NEXI responded that the project sponsor was normally responsible for undertaking monitoring of projects and that it was only responsible for reviewing the monitoring results, without providing further details; and New Zealand noted that the frequency of, content of and responsibility for monitoring would be project-dependent.

(d) *Non-compliance measures*

26. What actions are available to you in cases where monitoring reveals that conditions are not being complied with? Please provide any examples of experience.

98. Paragraph 33 of the Common Approaches states that “[i]n the case of non-compliance with the conditions of official support, Members should take actions that they deem appropriate in order to restore compliance, in accordance with the terms of the contract for official support”.

99. This question therefore seeks information on the actions available to ECAs in such circumstances: in this context, ECAs reported the actions available to them should be set out within the provisions of the transaction documentation.

100. From reviewing the responses provided, ECA actions in case of non-compliance can be summarised as follows:

- In the first instance, ECAs request additional information from the applicant and/or project sponsor to gain a comprehensive picture of the project non-compliance; this may involve visiting the project site, talking to stakeholders and liaising with other ECAs or financial institutions involved in a projects.
- Second, ECAs try to work with the relevant parties, providing technical knowhow and support, to develop corrective actions, including, where appropriate, a formal Remedial Action Plan, to bring the project back into compliance within an agreed timeframe; alternatively, the transaction documentation may allow ECAs to grant a waiver for non-material compliance issues.
- If it is not possible to re-establish compliance, ECAs may temporarily suspend cover or financing, or, in cases of serious and protracted non-compliance, call an Event of Default and end the official support (*e.g.* suspend drawdowns, demand prepayment, cancel the guarantee, etc.) or deny claims, as appropriate.

101. A number of ECAs provided information on their recent experiences with non-compliance issues:

- Australia reported that the independent consultant reports on environmental and social compliance for the PNG LNG project provide examples¹⁵ of dealing with non-compliance issues.
- Denmark reported that, in a recent case of non-compliance, EKF had established a dialogue with the bank and client in order to agree an Action Plan to remedy the non-compliances.
- Finland reported that, in one instance, an environmental and social monitoring agreement had not been signed according to the conditions precedent in the facility agreement; in this situation, a one month waiver was applied to provide time for the agreement to be finalised.
- Italy reported one project where, during the drawdown period, certain technical conditions had not been met, with the risk that the desired efficiency for removing air pollutants would not be met; in this case, Italy temporarily suspended drawdowns until a remedial action plan had been agreed among the relevant parties with milestones for future drawdowns linked to the fulfilment of the actions in the remedial plan.
- Norway/GIEK reported that, in its experience, non-compliances were generally rectified within the agreed remediation period, but that, for some cases where this has not been possible for various practical reasons, a renewed remediation period has had to be established. In one case, GIEK has had to notify the bank and project developer that it would not approve subsequent loan disbursements as progress had not been made to comply with conditions within the agreed remediation period. In general, GIEK considers that making loan disbursements tied to approval by the ECA of monitoring reports at key milestones of a project increases the likelihood that conditions set by the ECA are followed.
- The United Kingdom reported that working with an exporter or project sponsor on minor non-alignments was not uncommon and that Action Plans have been used on rare occasions; however, it had no experience of suspending drawdowns, accelerating prepayments or calling Events of Default.
- The United States reported that US Eximbank had not recently had to call an Event of Default for environmental and/or social non-compliance; however, it has delayed disbursement on several occasions for this reason.

(e) *Disclosure of monitoring reports*

27. 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?

102. Paragraph 34 of the Common Approaches states that Members should “*where appropriate, encourage project sponsors to make ex post monitoring reports and related information including concerning how environmental and/or social impacts are being addressed publicly available at regular intervals, including in forms accessible to local communities directly affected by the project and other relevant stakeholders*”.

103. This question therefore seeks information on the circumstances in which ECAs encourage project sponsors to make monitoring information available and in which ECAs may require such information to be disclosed or seek to make it publicly available themselves, if any: in this context, the Survey template

¹⁵ <http://pnglng.com/commitment/plans-and-reporting/iesc-reports>.

provides ECAs with a range of options to choose, indicating the types of project for which ECAs typically either encourage or require project sponsors to make *ex post* monitoring information publicly available (multiple responses permitted).

104. With regard to encouraging project sponsors to make monitoring information available (Chart 3 refers), Members responded as follows:

- 2 ECAs (the Czech Republic/CEB and the United States) encourage disclosure for all projects: in this context, the United States commented that US Eximbank policy and U.S.A law require that monitoring reports submitted by the borrower be made available to interested parties upon request: US Eximbank posts this availability on its website and encourages sponsors to disclose the reports on the project website;
- 4 ECAs (Finland, Japan/NEXI, the Slovak Republic and Slovenia) encourage disclosure for both Category A and Category B projects; and
- A further 11 ECAs encourage project sponsors to make monitoring information available for all Category A projects and 1 ECA (the Netherlands) for all Category A project finance transactions (although there may be other circumstances, such as project finance transactions, projects involving particularly complex / unusual potential impacts and/or projects located in or near sensitive areas, when they encourage project sponsors to make monitoring information available).

105. Other ECAs encourage disclosure of monitoring information for other types of project not linked to classification, for example:

- One ECA (the United Kingdom) generally encourages *ex post* monitoring reports to be made available for multi-ECA project finance transactions and when projects are not in compliance with any conditions of support;
- Six ECAs (Denmark, Germany, Italy, Korea/KEXIM, Spain, and Switzerland) encourage disclosure of monitoring information for projects located in or near sensitive areas; and
- Six ECAs (Austria, Luxembourg, Korea/KEXIM, Norway/Eksportkreditt, Portugal and Sweden/EKN) encourage disclosure for a variety of reasons, such as project finance transactions, projects involving particularly complex / unusual potential impacts and/or projects located in or near sensitive areas.

106. Last, Turkey responded that it does not have specific policies for encouraging project sponsors to make monitoring information publicly available and Japan/JBIC commented that project sponsors should make the results of the monitoring process available to project stakeholders.

107. With regard to requiring project sponsors to make monitoring information available (Chart 3 refers), Members responded as follows:

- Two ECAs (Australia and the United States) require such disclosure for all projects; in this context, Australia commented that, in accordance with Performance Standard No. 1, EFIC expects projects information to be disclosed commensurate with a project's risks and adverse impacts;
- Two ECAs (Japan/JBIC and Japan/NEXI) require such disclosure for both Category A and Category B projects: in this context, JBIC commented that it discloses on its website the results of the monitoring conducted by the project sponsors to the extent they are made public in the host country; and

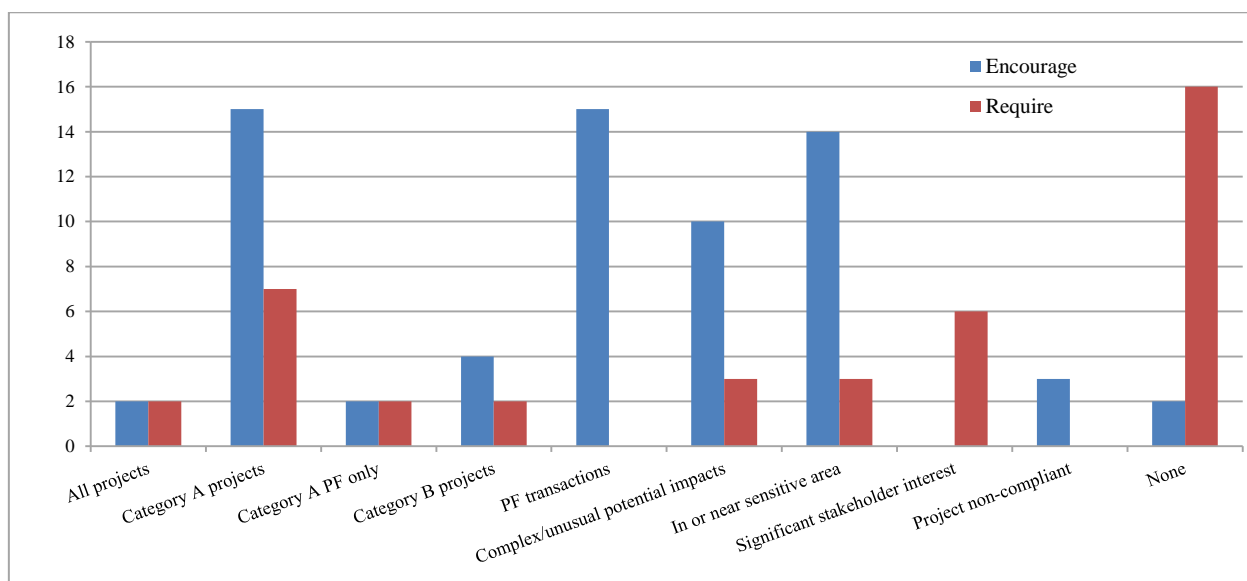
- In addition, a further five ECAs (Belgium, the Czech Republic/CEB, New Zealand, the Slovak Republic and Sweden/EKN) require disclosure for all Category A projects and one ECA (Hungary) for all Category A project finance transactions (although there may be other circumstances, such as project finance transactions, projects involving particularly complex / unusual potential impacts and/or projects located in or near sensitive areas, when they require project sponsors to make monitoring information available).

108. Again, some ECAs require disclosure of monitoring information of other types of project not linked to classification:

- One ECA (Austria) may require disclosure for projects when the Austrian Environmental Information Act applies; and
- Five ECAs (Denmark, Germany, Italy, Spain and Switzerland) require disclosure for projects likely to generate significant stakeholder interest; in this context, Switzerland commented that it can require project sponsors to make information publicly available when this requirement built into the policy documentation and that this is feasible for projects with broad implications, for which SERV's involvement is crucial to the fulfilment of local and international standards.

109. The remaining 16 ECAs reported that they do not have specific policies for requiring project sponsors to make monitoring information publicly available.

Chart 3: disclosure of *ex post* monitoring information



(vi) EXCHANGE AND DISCLOSURE OF INFORMATION

(a) Environmental and social procedural guidance

28. Have you published national ECA environmental and other related policy statements or principles and procedural guidance?

110. Paragraph 35 of the Common Approaches states that Members should “*publish national ECA environmental and other related policy statements or principles and procedural guidance relevant to the implementation of this Recommendation*”.

111. Only Sweden/SEK responded that it had not published such material; all other ECAs have made publicly available related policy statements or principles and procedural guidance relevant to the implementation of this Recommendation, as required in accordance with Paragraph 35.

(b) *Exchanging information*

29. Do you have policies and procedures in place for exchanging information with other ECAs and MFIs? If yes, please provide details for co-insuring/co-financing situations and for competitive situations:

112. Paragraph 36 of the 2012 Common Approaches states that, taking into account the competitive context in which they operate and constraints of business confidentiality, Members should:

- “*share information with other Members and, if appropriate, with other financial institutions involved in the project, with a view to seeking, where appropriate, common positions on the review of projects, including project classification, and*
- *reply in a timely manner to requests from other Members in a co-financing or a competitive situation on the environmental and social standards accepted by the Member.*”

113. This question therefore seeks information on the policies and procedures Members have in place for exchanging information in such situations: in this context, ECAs reported the following:

- 2 ECAs (the Czech Republic/CEB and Spain) responded that they do not have specific policies or procedures in place for exchanging information with other ECAs and MFIs; however, both ECAs subsequently provide examples of ways in which they might exchange information informally; and
- The remaining 30 ECAs all responded that they had relevant policies and procedures in place for exchanging information with other ECAs and MFIs, often on a case-by-case basis, in both co-insuring/co-financing and competitive situations, subject to the constraints of business confidentiality and sometimes only with the consent of the relevant parties involved in the transaction.

114. With regard to exchanging information in co-insuring/co-financing situations, 29 ECAs chose to respond to the question using the proposed options in the Survey template:

- All 29 ECAs would be prepared to share information *via ad hoc* information exchanges (email, telephone, etc.);
- 24 ECAs would be prepared to share information *via ad hoc* bilateral / multilateral meetings; and
- 22 ECAs would be prepared to share information at the regular Practitioners’ meetings.

115. In addition, Australia commented that EFIC would seek to exchange information where possible and appropriate, and Japan/NEXI commented that the method of sharing information would depend on the transaction and gave the example of using a shared consultant for undertaking environmental due diligence when several ECAs and other lenders are involved in a transaction.

116. Last, New Zealand noted that NZECO had an agency agreement with Sweden/EKN to provide advice, guidance and support when required.

117. With regard to exchanging information in competitive situations, 26 ECAs chose to respond to the question using the proposed options in the Survey template:

- All 26 ECAs would be prepared to share information *via ad hoc* information exchanges (email, telephone, etc.);
- 14 ECAs would be prepared to share information *via ad hoc* bilateral / multilateral meetings; and
- 17 ECAs would be prepared to share information at the regular Practitioners' meetings.

118. In comments, Norway (Eksportkreditt and GIEK) also noted that exchanging information in competitive situations was common, particularly for projects with high risks of impacts, and the United Kingdom commented that, for Category A projects, UKEF would tend to work in concert with other ECAs involved in the transaction.

119. In addition, Australia noted that EFIC would seek to exchange information where possible and appropriate.

120. The remaining five ECAs (Japan/NEXI, New Zealand, the Slovak Republic, Sweden/EKN and Turkey) did not provide any details of, or comments on, their policies and practices for exchanging information in competitive situations.

(c) *Ex ante disclosure of project information*

30. Please provide details of your policies and procedures for disclosing publicly information on Category A projects before a final commitment to grant official support, including:

- (a) scope and content of information released;
- (b) language of the information released;
- (c) method of disclosure;
- (d) minimum number of days the information should be made available prior to commitment; and
- (e) details of any circumstances in which project information relating to Category A projects is not disclosed prior to commitment

121. Paragraph 37 of the Common Approaches states that, taking into account the competitive context in which they operate and constraints of business confidentiality, Members should, for Category A projects, “disclose publicly project information, including project name, location, description of project and details of where additional information (e.g. ESIA report, summary thereof) may be obtained, such as a buyer and/or project sponsor contact point and/or website link, as early as possible in the review process and at least 30 calendar days before a final commitment to grant official support”.

122. This question therefore seeks information on the policies and procedures Members have in place for disclosing publicly such project information.

123. With regard to the scope and content of the information made publicly available, the Survey specifically asked Members to note whether they disclosed the project name, project location, description of the exported goods/services, and details of where additional information may be obtained. In response, 25 ECAs confirmed that they disclosed all four items. The exceptions are:

- Three ECAs (Luxembourg, Turkey and the United States) reported that they do not provide a description of the exported goods/services; and

- Five ECAs (Japan/NEXI, Korea/Ksure, the Slovak Republic, Sweden/EKN and Turkey) reported that they do not provide details of where additional information may be obtained.

124. In addition, some ECAs provided additional comments, as follows:

- Australia commented that EFIC also discloses the industry sector, facility type, an outline of reasons for categorisation and links to the project ESIA report.
- Canada commented that EDC's Disclosure Policy strikes a balance between sharing information that enhances its public accountability and protecting the commercially confidential information entrusted to it by clients: in this context, EDC requires consent prior to disclosure, but if consent is given, EDC discloses, in addition to the items listed above, the project country, project sponsor and project contact details prior to commitment.
- Both Denmark and the United Kingdom commented that their ECAs also attach a link to the ESIA summary or to a website where the ESIA report has been published.
- Sweden/SEK commented that EKN normally discloses the project information when both ECAs are involved in a transaction; if not, SEK discloses the relevant information.
- Switzerland commented that SERV publishes a list on the internet of all preliminary applications relating to transactions with a delivery value of CHF 10 million or more (including those with a repayment term of less than two years), for which it has received permission from the exporter and/or financing institution, as well as Category A and Category B projects. SERV discloses, in addition to the items listed above, the approval date, type of cover, project country, delivery value and tenor.
- The United States commented that US Eximbank discloses, in addition to the items listed above, the date of disclosure, availability of ESIA report and the project's estimated CO₂ emissions.

125. The Common Approaches does not contain provisions relating to the language in which this information is to be disclosed. Question 30 (b) and its responses are, therefore, for information and transparency: in this context, ECAs reported the following using the proposed options in the Survey (multiple responses permitted):

- 25 ECAs disclose project information in both their national language and in English (albeit that, for some ECAs, this is the same language); 6 of these may also disclose such information in the project language, *i.e.* where environmental and social information is available in the project language;
- 6 ECAs (Korea/Ksure, the Netherlands, Norway/Eksportkreditt, Norway/GIEK, Sweden/SEK and Switzerland) disclose project information in English; and
- 1 ECA (Belgium) reported that it would release project information in the language of the project country; however, this might refer to disclosing environmental and social information provided by third parties in the language of the project country (see also responses to Question 31 (b) below).

126. In addition, ECAs provided the following comments:

- The Czech Republic commented that CEB and EGAP might also release project information in Russian;
- Finland commented that FINNVERA's website is in three languages: Finnish, Swedish and English; and
- Spain commented that CESCE might also release information in French, Italian and Portuguese.

127. With regard to the method of disclosure, 31 ECAs reported that they disclose project information on their websites and 30 ECAs provided website links, which have been made available on the OECD website for ease of reference. In this context, four ECAs (the Czech Republic/CEB, the Czech Republic/EGAP, Hungary and Sweden/SEK) provided links to their homepages rather than direct to the relevant disclosure page and one ECA (Turkey) provided a link to financed projects rather than to applications under consideration. The remaining ECA, New Zealand/NZECO reported that it had yet to establish the necessary website, as it had not dealt with any Category A projects requiring *ex ante* disclosure.

128. Thirty ECAs reported that their policy is to disclose the relevant project information at least 30 calendar days before making a final commitment to grant official support; Japan/JBIC and Japan/NEXI reported that they disclose such information for at least 45 days.

129. With regard to any circumstances in which project information relating to Category A projects might not be disclosed prior to a final commitment:

- Canada commented that EDC requires consent before making such information publicly available 30 calendar days prior to a final commitment and that it would provide a justification if such disclosure were not possible; however, to-date, the situation has not arisen.
- Denmark commented that EKF might not be able to disclose such information if the Danish exporter had not already notified its participation in a project to the stock exchange.
- Sweden commented that EKN would normally disclose such information on behalf of both EKN and SEK, but that SEK would disclose the relevant information if EKN were not involved in a transaction.

130. The remaining ECAs reported that there were no standard circumstances in which project information would not be made publicly available at least 30 calendar days before a final commitment to grant official cover.

(d) *Ex ante disclosure of environmental and social impact information*

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

- (a) scope and content of information that should be released;
- (b) language of the information released;
- (c) method of disclosure;
- (d) minimum number of days the information should be made available prior to commitment; and
- (e) details of any circumstances in which environmental and social impact information relating to Category A projects is not disclosed prior to commitment.

131. Paragraph 37 of the Common Approaches also states that Members should, for Category A projects, “*require that environmental and social impact information (e.g. ESIA report, summary thereof) be made publicly available as early as possible in the review process and at least 30 calendar days before a final commitment to grant official support*” and that “[*s]uch information may be made publicly available by the Member or by an appropriate party involved in the project, such as the buyer and/or project sponsor*”.

132. This question therefore seeks information on the policies and procedures Members have in place for requiring that environmental and social impact information on Category A projects be made publicly available.

133. With regard to the scope and content of the information made publicly available, ECAs reported the following:

- 24 ECAs reported that environmental and social impact information should be made publicly available in accordance with the Common Approaches, *i.e.* ESIA report, summary thereof, etc. together with additional relevant information (for example, Norway/GIEK, Portugal and Switzerland commented that they would also publish a Resettlement Action Plan, if available);
- 1 ECA (Sweden/EKN) reported that an ESIA report or summary thereof is made available on its webpage as early as possible and no later than 30 days prior to commitment for all Category A projects with a volume of more than SEK 100 million and a repayment term of more than two years, and for Category A projects with a volume of less than SEK 100 million if the project's area of influence includes sensitive environments;
- 1 ECA (Canada) reported that its requirements for making environmental and social impact information publicly available prior to support only relate to Category A projects in non-G7 countries, as it considers that compliance with host country standards in G7 countries will result in sufficient disclosure;
- 5 ECAs did not report specifically that the environmental and social impact information disclosed includes the ESIA report, summary thereof, etc. On reviewing ECA websites, it was found that the information was available for 2 ECAs (Austria and the Slovak Republic); however, it was not possible to verify the information available for the remaining 3 ECAs (Korea/KEXIM, Slovenia and Turkey) due to imprecise website links or a lack of understanding of the ECA language; and
- 1 ECA (the Czech Republic/EGAP) reported that information should be made publicly available on the website of the exporter, but without providing further details.

134. In addition, some Members reported releasing additional information, which would supplement the project information referred to in Question 30 (a) above, for example:

- Austria commented that OeKB also discloses the buyer/beneficiary, volume of loan, loan period and date of release; and
- Japan commented that JBIC and NEXI also disclose the project sector, the reasons for a project's classification, and information on the environmental permits issued by the host government or other relevant authority

135. The Common Approaches does not contain provisions relating to the language in which this information is to be disclosed; however, Paragraph 16 states that “[f]or the purposes of public consultation, environmental and social impact information should be made available to affected communities in a language accessible to them”, so where public consultation is being undertaken, ECAs might have access to the relevant information in the project country language. In this context, ECAs reported the following:

- 21 ECAs disclose environmental and social impact information in both their national language and in English (albeit that, for some ECAs, this is the same language); 7 of these may also disclose such information in the project language, if made available, or in another language (such as that of the project sponsor), if made available for review;
- 1 ECA (Slovenia) discloses environmental and social impact information in its national language and 1 ECA (Portugal) discloses such information in its national language and that of the project, if made available;

- 5 ECAs (Finland, Korea/Ksure, New Zealand, Sweden/SEK and Switzerland) disclose environmental and social impact information in English; 2 of these may also disclose such information in the project language, if made available; and
- 4 ECAs (Australia, Belgium, Japan/JBIC and the Netherlands) reported that they would release environmental and social impact information in the language of the project country, if made available.

136. In addition, ECAs provided the following comments:

- The Czech Republic commented that CEB/EGAP might also release project information in Russian; and
- Spain commented that CESCE might also release information in French, Italian and Portuguese.

137. With regard to the method in which the environmental and social impact information is made publicly available:

- 5 ECAs disclose the documents direct on their websites;
- 7 ECAs provide links on their websites to where additional information might be found (for example, the project sponsor's website); and
- 19 ECAs may use both methods of disclosure.

138. The remaining ECA, Italy, discloses the availability of environmental and social impact information on its website and provides the ESIA report to stakeholders upon request.

139. Thirty-one ECAs reported that their policy is to disclose the relevant environmental and social impact information at least 30 calendar days before making a final commitment to grant official support; Japan/ NEXI reported that it discloses such information for at least 45 days.

140. With regard to any circumstances in which environmental and social impact information relating to Category A projects might not be disclosed prior to a final commitment:

- Canada commented that EDC requires consent before making such information publicly available 30 calendar days prior to a final commitment and that it would provide a justification if such disclosure were not possible; however, to-date, the situation has not arisen.
- Denmark commented that EKF might not be able to disclose such information if the Danish exporter had not already notified its participation in a project to the stock exchange.
- The Netherlands noted that, whilst it always discloses environmental and social impact information, in exceptional circumstances, it may take into account the competitive context and/or constraints of business confidentiality when environment and social impacts information is disclosed.

141. The remaining ECAs reported that there were no standard circumstances in which environmental and social impact information would not be made publicly available at least 30 calendar days before a final commitment to grant official cover.

(e) Ex post disclosure

32. Please provide details of your policies and procedures 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:

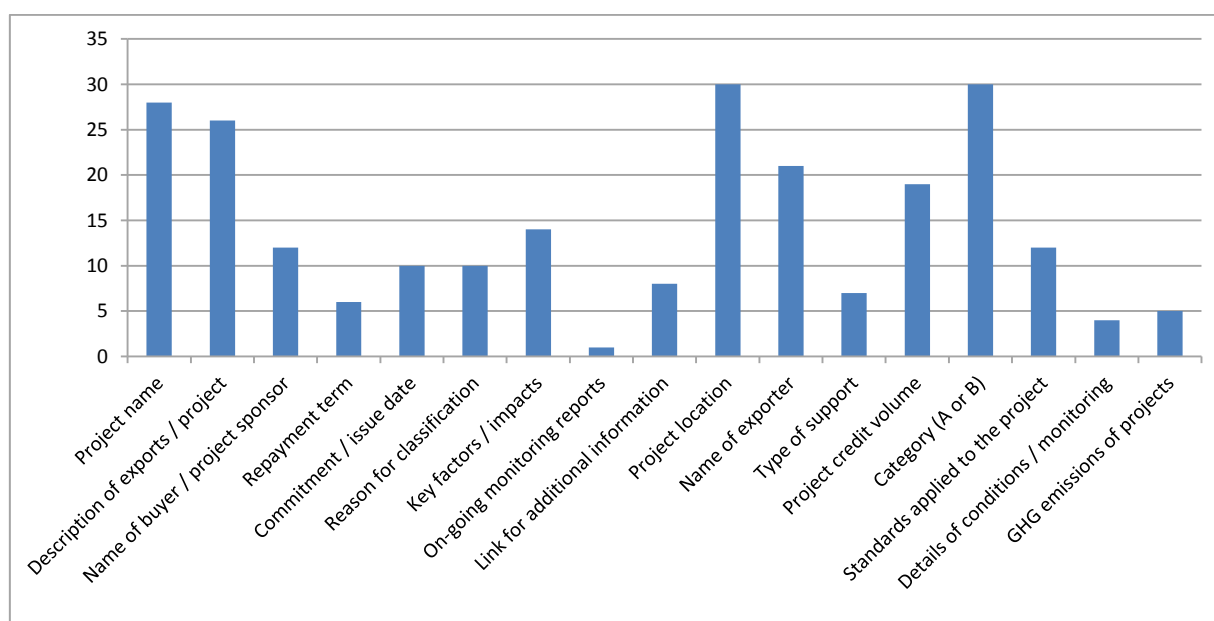
- (a) scope and content of information released;
- (b) language of the information released;
- (c) method of disclosure;
- (d) how often *ex post* information on projects classified in Category A and Category B is made publicly available;
- (e) how long the information remains in the public domain; and
- (f) details of any circumstances in which information on Category A and Category B projects is not disclosed after a final commitment is made.

142. Paragraph 38 of the Common Approaches states that, subject to legal provisions on public disclosure in Members' countries, Members should "*make available to the public at least annually environmental and social information on projects classified in Category A and Category B for which a Member has made a final commitment with respect to providing official support, including the type of information reviewed and the international standards applied, together with an ECA contact point for obtaining additional information*".

143. This question therefore seeks information on the policies and procedures Members have in place for making such information available to the public.

144. With regard to the scope and content of the information made publicly available, 31 ECAs provided detailed information, as shown in Chart 4 below, by responding to the proposed options in the Survey template (multiple responses permitted); Sweden/EKN commented that Category A and Category B projects are disclosed and briefly described in its annual Sustainability Report.

Chart 4: Scope and content of ex post disclosure by ECAs



145. Some ECAs also provided additional information on their *ex post* disclosure policies and practices, such as:

- Australia noted that its disclosure policy and procedures cover all its transactions, not just export credits.
- Canada also discloses the date of the *ex ante* notification and the type of environmental and social documentation reviewed. In addition, for Category A projects, EDC discloses a Project Review Summary which provides a summary of the EDC's environmental and social review of the project. Last, Canada noted that its disclosure pertains to EDC's Financing Services transactions (financing (including guarantees), political risk insurance to lenders, and equity).
- Germany discloses basic project information of any project (regardless of any environmental classification) above the threshold of EUR 15 million covered contract value after final commitment (name of exporter, contract value in categories, buyer country, credit period) subject to the consent of the applicant. In addition, selected projects are illustrated in more detail, even if they are below the aforementioned threshold. Last, a list of all transactions having been reported to the OECD under the provisions of the Common Approaches is made available containing more detailed information, such as the standards benchmarked against, justifications in case standards could not be met etc. All information remains available on the website (archive).
- Japan/JBIC provides a summary of its environmental reviews for all projects which contain basic information about the project, natural environmental considerations, social environmental considerations, and items to be monitored by the project sponsor.
- Austria and Slovenia both commented that they would need consent to release, for example, details of the exporter and foreign buyer.
- The United Kingdom noted that, as well as publishing information in UKEF's Annual Report and Accounts, it also posts a Project Supported Notice for all Category A projects on its website.

146. The Common Approaches does not contain provisions relating to the language in which this information is to be disclosed. Question 32 (b) and its responses are, therefore, for information and transparency: in this context, ECAs reported the following using the proposed options in the Survey (multiple responses permitted):

- 27 ECAs disclose in both their national language and in English (albeit that, for some ECAs, this is the same language); 1 of these may also disclose information in the project language, if made available;
- 2 ECAs (France and the Netherlands) disclose in their national language;
- 2 ECAs (Korea/Ksure and Switzerland) disclose in English; and.
- 1 ECA (Belgium) discloses in the project language; however, this might refer to disclosing environmental and social information provided by third parties in the language of the project country (see also responses to Question 31 (b) above).

147. All ECAs make their *ex post* disclosure *via* their websites: addresses, where provided, are available in the survey responses on the OECD website.

148. With regard to how frequently information relating to Category A and Category B projects is made publicly available following a final commitment to provide support, ECAs responded as follows:

- 20 ECAs provide such information on an on-going basis;
- 1 ECAs provides the information on a monthly basis;

- 3 ECAs provide the information quarterly and 1 ECA every four months;
- 6 ECAs provide the information on an annual basis; and
- 1 ECA (New Zealand) has no set policy on this issue, as it has never had to deal with a Category A or Category B project

149. With regard to how long the information remains publicly available, ECAs responded as follows:

- 17 ECAs leave the information in the public domain for an indefinite period of time;
- 6 ECAs leave the information in the public domain for the duration of their involvement in a transaction;
- 7 ECAs leave the information in the public domain for a set period of time, either 2, 3, 5 or 7 years; and
- 2 ECAs (the Czech Republic/CEB and New Zealand) have no set policy on this issue.

150. With regard to any circumstances in which information relating to Category A and Category B projects might not be disclosed after a final commitment:

- Canada commented that EDC will disclose the justification for any exceptions to EDC's disclosure requirements for Category A projects; however, to-date, the situation has not arisen.
- Denmark commented that there might be very rare circumstances, due to security issues or competitive situations.
- Finland noted that the act governing Finnvera's operations contains a specific confidentiality provision that makes it mandatory to ask for consent before the publication of case information. For Category B projects, such consent to disclose information is not a mandatory condition of support.
- Switzerland reported that SERV publishes information only for those transactions for which it has received permission from the exporter and/or financing institution and that it is SERV's policy to require the exporter and/or financing institute to justify any refusal; for all Category A and Category B projects, however, disclosure after final commitment is mandatory.

151. The remaining ECAs reported that there were no standard circumstances in which information would not be made publicly available after a final commitment to grant official cover.

33. Do you report and/or disclose publicly information on supported projects that do not meet the relevant aspects of the international standards against which they have been benchmarked? If yes, please provide details.

152. Paragraph 28 of the Common Approaches states that, in cases when a Member decides to support a project that does not meet the relevant aspects of the international standards against which it has been benchmarked, "*the reasons for the choice of international standards, the reasons for the failure to meet such international standards, the related justification for supporting the project, and any related monitoring procedures must be reported to the ECG in accordance with paragraph 41 of this Recommendation*" and that, "*[w]ith due regard to business confidentiality, aggregated information on such cases will be made publicly available by the ECG in accordance with paragraph 39 of this Recommendation*".

153. This question therefore seeks information on any reports and/or other disclosure methods employed by Members to make publicly available information on projects that do not meet the relevant aspects of the international standards against which they have been benchmarked: in this context, ECAs are asked in the Survey what methods they employ, with options given as: “*reported to the ECG*” (i.e. information on these projects will be made available in the OECD Secretariat’s annual review of Category A and Category B projects), “*disclosed publicly on ECA website*”, “*disclosed publicly on Guardian Authority website*”, and “*other*”. In response:

- 12 ECAs reported that they would both report to the ECG and disclose publicly on their website;
- 11 ECAs reported that they would report to the ECG; and
- 6 ECAs reported that they question was not relevant to them, either because they have no experience of such a situation or because they only support projects that meet, or are designed to meet, international standards.

154. The remaining three ECAs (Japan/JBIC, New Zealand, and the Slovak Republic) reported that they do not report or disclose information on projects that do not meet the relevant aspects of the international standards against which they have been benchmarked; however, in practice, these ECAs should be counted with those reporting only to the ECG, since all Members are required to report information on such projects in accordance with paragraph 41 of the Common Approaches.

155. Last, Sweden/EKN noted that, additionally, information concerning such a situation would be included in its annual report.

(vii) REPORTING AND MONITORING OF THE RECOMMENDATION

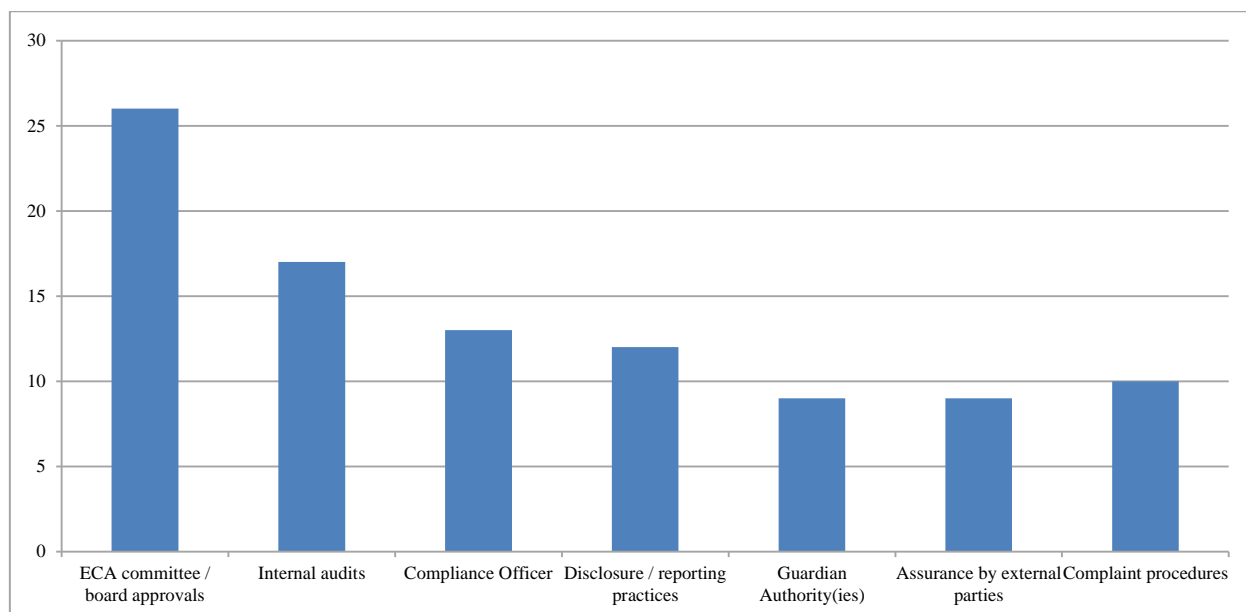
(a) Accountability of your guidelines

<p>34. Do you have appropriate measures and mechanisms in place to ensure compliance with your policies and procedures? If yes, please provide details.</p>

156. Paragraph 40 of the Common Approaches states that Members shall “[e]nsure, through appropriate measures and mechanisms, compliance with their policies and procedures pursuant to this Recommendation”.

157. This question therefore seeks information on the measures and mechanisms Members have in place to ensure such compliance: in this context, all ECAs have such measures and mechanisms in place and provided details, as shown in the Chart 5 below, by responding to the proposed options in the Survey template (multiple responses permitted):

Chart 5: Measures and mechanisms to ensure compliance



158. A number of ECAs provided additional comments on their compliance measures, for example:

- Australia has committed to engaging an independent environmental and social expert to audit the application of its Policy and Procedures every two years. The audit reports are made publicly available¹⁶.
- Austria's assurance by external parties is a part of OeKB's EMAS (Eco-Management and Audit Scheme) certification and audit.
- Canada's environmental review process is subject to regular independent audits by the Auditor General of Canada at least every 5 years.
- Finland noted that Finnvera has ISO 9001 certification and that its policies and procedures are audited during the re-certification process.
- Japan/JBIC has established an objection procedure with Examiners to handle objections in respect of JBIC's compliance with its Environmental Guidelines. The Examiners were chosen from the public and they are independent from the operational department in order to maintain neutrality. For more details please see JBIC's website¹⁷.
- Norway/Eksportkreditt and Norway/GIEK are both audited by PWC.
- Switzerland reported that SERV's environmental and social due diligence policy is evaluated every 3-4 years by a specialised environmental and social consultant.
- The United Kingdom reported that UKEF has an Export Guarantees Advisory Council (EGAC), which is a statutory body to advise the Secretary of State on UKEF's operations, including in relation to environmental and social risk management, and that UKEF can also be subject to Parliamentary Questions and Judicial Review.

¹⁶ <http://www.efic.gov.au/about-efic/our-corporate-responsibility/transactions/independent-audit/>.

¹⁷ <http://www.jbic.go.jp/en/efforts/environment/disagree>.

(b) *Monitoring and evaluation*

35. Do you have any policies and procedures in place for monitoring and evaluating your experience of the Recommendation at a national level? If yes, please provide details.

159. Paragraph 40 of the Common Approaches also states that Members shall “[m]onitor and evaluate, over time, the experience with this Recommendation at a national level”.

160. This question therefore seeks information on the policies and procedures Members have in place for monitoring and evaluating such experience: in this context, 16 ECAs reported that they have no additional policies and procedures in place for monitoring and evaluating their experience of implementing the Common Approaches other than the measures and mechanisms referred to in Q34 for ensuring compliance with their policies and procedures. The remaining 16 ECAs responded as follows:

- 4 ECAs (Canada, the Netherlands, Slovenia and Switzerland) provided responses that included mechanisms, such as audits, reviews by consultants and guardian authority oversight, that mirror the responses provided to Q34;
- A further 6 ECAs (Australia, Denmark, France, Portugal, Sweden/EKN and Sweden/SEK) responded that they had measures (often *ad hoc*) in place for monitoring and evaluating their experience of implementing the Common Approaches; and
- 6 ECAs provided information on measures that go beyond those referred to in Q34: for example: Austria and Germany both mentioned the possibility of Parliamentary hearings; Italy referred to statistics being provided in its annual and CSR reports; Korea/KEXIM noted audits by national inspection bodies; Poland mentioned Ministerial oversight; and the Slovak Republic referred to the need to comply with recent EU legislation and directives.

(c) *Sharing information*

36. Do you have policies and procedures in place for sharing experiences with other Members? If yes, please provide details.

161. Paragraph 40 of the Common Approaches also states that Members shall “*share experience with the other Members, including about the standards applied to those projects that were subject to a review as referred to in paragraphs 20-24 of this Recommendation*”.

162. This question therefore seeks information on the policies and procedures Members have in place for sharing experiences with other Members: in this context, ECAs were provided with three proposed options in the Survey template (“*ad hoc information exchanges by email, telephone etc.*”, “*ad hoc bilateral / multilateral meetings*” and “*Practitioners’ events*”) and the chance to report any other methods put in place for sharing such experiences.

163. In response, one ECA (the Czech Republic/CEB) does not have any specific policies and procedures in place for sharing experiences with other Members; however, as it does not have any environmental and social specialists (the response to Q38 refers), the Czech Republic/EGAP takes the lead on liaising with other ECAs on its behalf. Of the remaining 31 ECAs:

- 31 ECAs undertake *ad hoc* information exchanges by email, telephone etc.;
- 26 ECAs (*i.e.* excluding Belgium, Italy, Luxembourg, Poland, and Spain) undertake *ad hoc* bilateral / multilateral meetings; and

- 28 ECAs reported using Practitioners' events as a means of sharing experiences with other Members; however, to this should be added Belgium and Denmark, both of which always attend such events (*i.e.* the Czech Republic/CEB and Luxembourg do not have any Practitioners or attend such events).

164. With regard to other methods put in place: Denmark and Norway/GIEK both referred to annual meetings of the Nordic ECAs; Norway/Eksportkreditt mentioned the meetings of the Equator Principles Financial Institutions; Germany and Switzerland both reported *ad hoc* workshops for other ECAs; and Turkey noted methods involving the OECD (meetings and intranet).

(d) *Revisions of due diligence procedures*

37. (a) When was the last review or update of your due diligence procedures conducted?
 (b) What was the motivation for the last review or update of your due diligence procedures?
 (c) Are any modifications foreseen in the near future? If yes, please provide details.

165. This question and its responses are for information and transparency. The majority (24) of ECAs reviewed or updated their due diligence procedures in 2012 or 2013, *i.e.* at the time of adoption of the Common Approaches in 2012 or shortly thereafter. Since then, five ECAs have undertaken reviews and updates: Italy, Korea/KEXIM and the United Kingdom in 2014 and Belgium and Japan/JBIC in 2015.

166. The remaining three ECAs have not undertaken a review or update since before adoption of the Common Approaches: Canada (2010), Japan/NEXI (2009) and Slovenia (2008). However, of these, Canada, and Slovenia noted in their responses that further modifications of their due diligence procedures were foreseen.

167. Last, another 10 ECAs also foresaw further modifications, either on an on-going basis (Belgium), annual (Hungary), one-off (Denmark, Italy, Japan/JBIC, New Zealand, Sweden/EKN and Switzerland) or *ad hoc* basis (Norway/Eksportkreditt and Norway/GIEK).

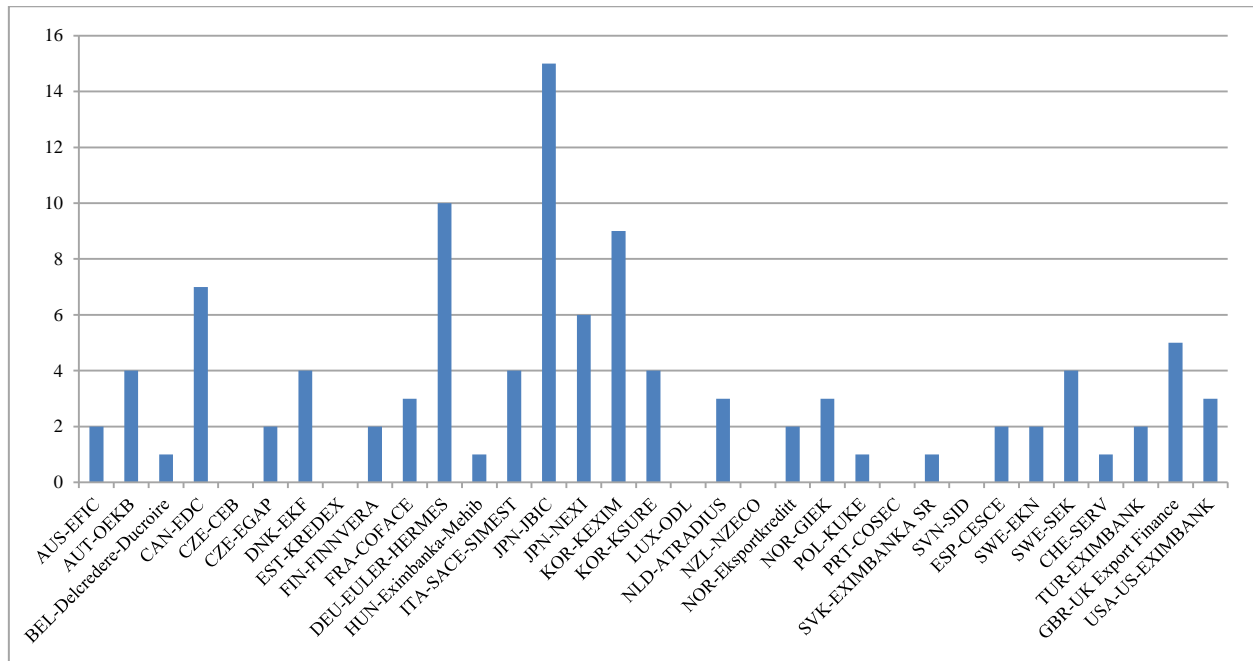
(e) *Resources*

38. How many dedicated Practitioners work for your institution?

168. This question and its responses are for information and transparency: in this context, ECAs reported the following:

- 5 ECAs do not have any dedicated Practitioners: the Czech Republic/CEB, Luxembourg, New Zealand, Portugal and Slovenia; and
- The remaining 26 ECAs have dedicated Practitioner(s), as shown in Chart 6.

Chart 6: Number of dedicated Practitioners per ECA



(f) Reporting

39. How frequently do you report *ex post* to the Working Party on Export Credits and Credit Guarantees (ECG), in accordance with paragraph 41 of the Recommendation, all Category A and Category B projects for which a final commitment has been issued?

169. Paragraph 41 of the 2012 Common Approaches states that Members shall “report to the ECA *ex post on an on-going basis or at a minimum semi-annually...all projects classified in Category A and Category B for which a final commitment has been issued*”.

170. This question therefore seeks information on the frequency of such reporting to Members: in this context, the majority of ECAs (19) reported that they report (or will report) Category A and Category B projects on a semi-annual basis. The remaining ECAs reported as follows:

- 8 ECAs (Austria, Belgium, Germany, the Netherlands, New Zealand, Portugal, Spain and Turkey): on-going basis;
- 2 ECAs (Sweden/EKN and Sweden/SEK): monthly;
- 2 ECAs (Canada and France): quarterly; and
- 1 ECA (the Czech Republic/CEB): at least annually.

40. Do you produce any reports on environmental and social issues in addition to those required by the Recommendation? If yes, please provide details.

171. This question and its responses are for information and transparency: in this context, 19 ECAs produce reports on environmental and social issues in addition to those required by the Recommendation:

- 8 ECAs (Australia, Germany, Italy, Korea/KEXIM, Spain, Sweden/EKN, Switzerland and the United Kingdom) include environmental and social issues in ECA annual reports;
- 7 ECAs (Austria, Belgium, Canada, Denmark, Italy, the Netherlands and Sweden/SEK) produce separate CSR or sustainability reports covering environmental and social issues; in this context, Sweden noted that its report is produced according to GRI (B+ level);
- 4 ECAs (Australia, France, Portugal and Switzerland) reported that they publish transaction information on their ECA website, including beyond the requirements of the Common Approaches; and
- 2 ECAs (Finland and Norway/GIEK) produce reports for internal use only and 2 ECAs (Portugal and Sweden/EKN) produce reports for their guardian authority and government respectively.

172. In addition:

- Canada noted that EDC's CSR Report provides information on its environmental and social review practices, including illustrative profiles of Category A, B and C projects, and covers support to environmental exports, environmentally beneficial projects and EDC's Clean Tech initiative. EDC also reports on its operational footprint.
- Denmark reported that its CSR report includes information on all applications reviewed and aims to satisfy the reporting requirements of the Equator Principles, the UN Global Compact, and the Danish Accounting Act (§99a on social responsibility).
- Spain also produces an Annual Global Compact Progress Report.

173. Last, Norway noted that, as an Equator Principle (EP) Financial Institution, Eksportkreditt reports to the EP Secretariat and the United States reported that US Eximbank reports on the GHG emissions from the projects it finances.

(g) *Additional measures*

41. Have you adopted any additional measures for undertaking due diligence, consistent with the overall objectives of the Recommendation? If yes, please provide details.

174. The Preamble to the Common Approaches recognises that “*whilst this Recommendation sets out common approaches for addressing environmental and social issues relating to officially supported export credits, Members may adopt additional measures for undertaking due diligence that are consistent with the overall objectives of this Recommendation and that any such measures should be shared with other Members with the aim of improving common practices, developing guidance and promoting a level playing field*”.

175. In addition, Paragraph 42 of the Common Approaches states that Members shall “[*e*]xchange information on any additional measures that Members may have adopted for undertaking due diligence, consistent with the overall objectives of this Recommendation”.

176. This question therefore seeks information on any additional measures that Members have adopted: in this context, 14 ECAs reported having adopted additional measures:

- 8 ECAs (Australia, Austria, Canada, France, Germany, Norway/Eksportkreditt, Norway/GIEK and Switzerland) have adopted measures for transactions not covered by the 2012 Common Approaches, either on a systematic or an *ad hoc* basis, so as to identify any potential environmental and/or social risks;

- 1 ECA (Hungary) undertakes a general review for all Category C projects and checks certification compliance of the exported goods and/or services;
- 3 ECAs (Denmark, Norway/Eksportkreditt and Norway/GIEK) have implementing specific measures with regard to potential human rights impacts;
- 3 ECAs (Sweden/EKN, Sweden/SEK and Turkey) have adopted measures, for example, screening tools or use of consultants, to facilitate the screening and review process; and
- 1 ECA (United States) is required, under its charter, to disclose, subject to limitations relating to proprietary information, certain reports submitted to the Bank, including remediation or mitigation plans and procedures, and related monitoring reports.

(h) *Applications not classified*

42. Do you have policies and procedures in place for assessing the environmental and social risks associated with existing operations, including reviewing potential impacts and benchmarking against international standards? If yes, please provide details.

177. Question 7 of this Survey asked whether Members classified applications identified during screening as related to existing operations as defined in Section I of the Common Approaches. This question seeks information on any policies and procedures Members have in place for assessing the environmental and social risks associated with existing operations.

178. In response to Question 7 of the Survey, three ECAs (Austria, Canada and Switzerland) reported that they do not classify such applications; however, all three ECAs have policies and procedures in place for assessing the potential environmental and social risks associated with existing operations.

179. Also, according to the responses to Question 7, five ECAs classify such applications using a special “EO” category: of these, Finland, Germany and the Netherlands have policies and procedures in place for assessing the potential environmental and social risks associated with existing operations; the remaining two ECAs (Italy and Spain) consider that once an application has been screened and identified as an existing operation (as defined in Section I of the Common Approaches) no further assessment is necessary since, by definition, such applications relate to transactions without significant environmental and/or social risks.

180. The remaining 24 ECAs all classify such applications using the Category A, B, C classification system in accordance with Section IV of the Common Approaches. As such, their normal policies and procedures for classifying applications and, if relevant, undertaking a due diligence would apply. In this context, five ECAs (the Czech Republic/CEB, the Czech Republic/EGAP, Korea/KEXIM, Korea/Ksure and New Zealand) noted specifically that they do not have any policies and procedures in place for assessing environmental and social risks associated with existing operations and one ECA (the Slovak Republic) reported that it uses an external consultant for applications identified as relating to existing operations. The remaining 18 ECAs have policies and procedures in place, of which Australia, Belgium, Sweden/EKN and Sweden/SEK specifically commented that their policies and procedures apply to all transactions, regardless of whether related to a project or an existing operation.

43. Do you have policies and procedures in place for addressing environmental and social issues relating to exports of capital goods and/or services that are not destined to identified locations? If yes, please provide details.

181. In the Common Approaches, the definitions of both “projects” and “existing operations” include the criteria that they should be at “identified locations”: as a result, applications relating to exports of capital goods and/or services that are not destined to identified locations, once identified during screening, are not subject to subsequent provisions of the Recommendation. This question therefore seeks information on any policies and procedures Members have in place for addressing environmental and social issues relating to such exports, for example, movable assets.

182. In this context, 15 ECAs reported that they have policies and procedures in place for addressing environmental and social issues relating to exports of capital goods and/or services that are not destined to identified locations. Of these, several ECAs provided details of the types of assessment that they made in such situations, including consideration of the potential impacts of the goods, compliance with international certifications, company management systems, etc. In addition, the Netherlands, Norway/Eksportkreditt and Norway/GIEK provided information concerning their approaches to reviewing applications related to moveable and maritime transactions. Last, Australia, Belgium, Sweden/EKN and Sweden/SEK commented that their policies and procedures apply to all transactions, regardless of whether related to an identified location or not.

183. The remaining 17 ECAs do not have specific policies and procedures in place for addressing environmental and social issues relating to exports of capital goods and/or services that are not destined to identified locations.

(i) *Applications not covered by the Recommendation*

44. Do you have policies and procedures in place for addressing the environmental and social issues relating to exports of capital goods and/or services and the locations to which these are destined for officially supported export credits not covered by the scope of the Recommendation, *i.e.* with a repayment term of less than two years, for military equipment and agricultural commodities, for any applications exempt from screening as reported under Q3, etc.? If yes, please provide details.

184. This question seeks information on any policies and procedures Members have in place for addressing the environmental and social issues relating to exports not covered by the scope of the Recommendation. This question and its responses are for information and transparency.

185. In this context, 21 ECAs reported that they have policies and procedures in place for addressing the environmental and social issues relating to exports not covered by the scope of the Recommendation. Of these, 14 ECAs (Australia, Belgium, Canada, Denmark, Finland, Japan/JBIC, Japan/NEXI, Norway/Eksportkreditt, Norway/GIEK, the Netherlands, the Slovak Republic, Slovenia, Sweden/EKN, Sweden/SEK and Switzerland) appear to apply systematically their environmental and social policies and procedures to some types of transactions beyond the scope of the Common Approaches, for example, where the repayment term is less than two years. In addition, both Norwegian ECAs consider all applications for potential human rights impacts, in line with commitments under the United Nations Guiding Principles.

186. The other 7 ECAs (Austria, France, Germany, Italy, Luxembourg and Spain) appear to apply their environmental and social policies and procedures on a case-by-case basis or with a “watchful eye” for applications with potential impacts that, if within the scope of the Common Approaches, might be classified and subject to due diligence. In addition, Korea/KEXIM noted that it undertakes due diligence for all transactions relating to nuclear power plants, regardless of whether the application is for official export credit support.

187. The remaining 10 ECAs do not have policies and procedures in place for addressing the environmental and social issues relating to exports of capital goods and/or services and the locations to which these are destined for officially supported export credits not covered by the scope of the Recommendation.

(j) *Additional comments*

45. Please provide any additional comments.

188. ECAs were invited to provide any additional comments or clarifications: in this context, four ECAs (Canada, the Netherlands, New Zealand, Norway/Eksportkreditt and Norway/GIEK) provided some additional information, which is available in their responses on the OECD website, about their policies and procedures and the type of support they provide.