

SURVEY

on the Environment and Officially Supported Export Credits Projects

REPORTING COUNTRY INFORMATION

HUN-MEHIB-SURVEY-SEPT-10

Reporting Country	<input type="text" value="Hungary"/>	Reporting Institution	<input type="text" value="MEHIB"/>
Submission Date	<input type="text" value="17 September 2010"/>	Version number	<input type="text" value="Sep-10"/>

I GENERAL PRINCIPLES

Objectives

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

MEHIB has enhanced its decision making process and the financial risk assessment of application (covering both new projects and existing operations being subject to the Common Approaches by a system including screening, classification, review, disclosure, monitoring stages of the environmental procedure. For more information see our answer to Q41.

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II SCREENING AND CLASSIFICATION OF PROJECTS

Exemptions

2 Are all applications screened?

Information requirements

3 What information is required for the screening process?
Please provide details of information required.

Information on applicants, the role of the exporter, contracting parties, terms of credit supported, project type/existing or new, size, sector, site of projects, environmental documentation if any, environmental certificate if any, possible environmental impacts.

Responsibilities

4 Who is responsible for providing the information required to screen applications?

Any other comments.

5 Who within your Export Credit Agency (ECA) is responsible for screening applications?

ECAs' in-house Environmental Reviewers Team lead by the Environmental Practitioner (including sales manager and coordinator) is responsible for screening the application. External expert may be applied on a case by case basis. Coordination with Eximbank or the relevant authority may be part of the procedure depending on the type of the application.

Timing

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

Scope and criteria of screening

7 Please provide details of how the screening process considers, where appropriate, operational links with associated operations.

The screening process is to be extended by follow up questions. We may take into account the type of the exported goods, potential environmental impacts and the operational links of the delivery with the project, the location, the time of the construction of such operations.

8 Please specify any particular practices followed in screening applications in cases of:

a) Co-insurance/co-finance with other ECAs or International Financial Institutions (IFIs).

Any other comments.

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b) Re-insurance as lead ECA.

Would always conduct own screening

Any other comments.

As part of the re-insurance cooperation we may need or offer to share any environmental information or documentation , where needed.

c) Re-insurance as re-insurer.

May take account of screening by lead ECA

Any other comments.

We share any environmental information or documentation, where needed.

Scope and criteria of screening

9 What procedures and practices do you have in place to help identify exports of capital goods and services to existing operations[1]?

Pre-screening and screening questionnaires includes questions on the type of goods/services and the linkigage with projects . We may require follow up information, where necessary.

New projects

10 What procedures and practices do you have in place to help identify exports of capital goods and services to projects[2]?

Pre-screening and screening questionnaires includes questions on the type of goods/services and the linkigage with projects . We may require follow up information, where necessary.

Other exports

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

Pre-screening questionnaire is applied.

Classification system

12 Does your classification system vary from that of the Recommendation?

No

Scope of classification

13 Do you classify exports of capital goods and services

a) that are to existing operations?

Yes

Please provide details.

Classification is made on the basis of the screening criteria.

b) that are neither to existing operations nor to projects?

No

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

Classification is made on the basis of the screening criteria. All applications is classified in or near sensitive areas, in sensitive sectors.

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Responsibilities for classification

15 Who is responsible for the classification of projects?

Environmental Practitioner (always)

ECAs' in-house Environmental Reviewers Team lead by the Environmental Practitioner (including sales manager and coordinator) is responsible for screening the application. External expert may be applied on a case by case basis. Coordination with Eximbank or the relevant authority may be part of the procedure depending on the type of the application.

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III ENVIRONMENTAL REVIEW

Information requirements

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

Prescribed procedures

Please provide details.

For Category A project: EIA report (Annex II), other studies, reports or action plans covering the relevant aspects of the project are required (prevention, minimisation, mitigate, or compensation measures may be documented if necessary.) By rules, it should not be carried out and reviewed by the same party.
For Category B project: case by case approach. EIA or other information (studies, reports or action plans) or prevention, minimisation, mitigate, or compensation measures where relevant may be documented.

Responsibilities

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

Applicant (in most cases)

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

Environmental Practitioner (always)

Environmental Review is made by the Practitioner, if expertise is not covered by Practitioner an external experts involvement could be necessary. Depending on the type of application close coordination with the Eximbank and with relevant authority may happen.

Scope and criteria

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

When the screening process is extended by follow up questions on the associated operations, we try to get environmental information on the project and the review is made upon the information provided.

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

- a) Co-insurance/co-finance with other ECAs, IFIs or your Development Agency.

May take account of review carried out by other ECAs, IFIs or Development Agency

Any other comments.

We need to ensure that the environmental requirements will be in line with the Common Approaches.

- b) Re-insurance as lead ECA.

Would always conduct own screening

Any other comments.

As part of the re-insurance cooperation we may need or offer sharing environmental information, where necessary.

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- c) Re-insurance as re-insurer.

May take account of review carried out by lead ECA

Any other comments.

We have to share environmental information when needed.

Category A projects

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

No

- 22 a) Who is responsible for

- i) Commissioning an EIA?

Applicant (in most cases)

Any other comments.

- ii) Carrying out an EIA?

Independent Consultant (in most cases)

Any other comments.

- b) Who is responsible for providing you with a copy of an EIA report?

Applicant (in most cases)

Any other comments.

- c) Who is responsible for reviewing an EIA report?

Environmental Practitioner (always)

Environmental Practitioner controls the reviews in general however external experts may be involved to complement uncovered capacities. Coordination with the Eximbank and with the relevant authority may happen depending on the type of the application.

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Category B projects

- 23 Under paragraph 10 of the Recommendation, the review of Category B projects should examine a project's potential negative and positive environmental impacts.
Please provide details of your general approach to reviewing Category B projects.

Case by case approach is applied. When EIA is required the Annex II is normally referred to. Other documentation e.g. Preliminary Environmental Study, Environmental Chapter of the Feasibility Study or a tender documentation, e.t.c. may be taken into account. Prior appraisal being carried out on the basis of the Environmental Questionnaire is applied.

Which, if any, of the items listed in Annex II of the Recommendation and which key environmental factors, such as those listed in paragraph 8 (tired 1) of the Recommendation, are taken into consideration?

Annex II:

Executive Summary Case-by-case

Policy, legal and administrative framework Case-by-case

Project description Case-by-case

Baseline data Case-by-case

Environmental impacts Case-by-case

Analysis of alternatives Case-by-case

Environmental Management Plan Case-by-case

Consultation Case-by-case

Paragraph 8 (tired 1):

significant air emissions, effluents, waste or noise Case-by-case

significant use of natural resources Case-by-case

involuntary resettlement Case-by-case

impacts on indigenous peoples Case-by-case

cultural property Case-by-case

Existing operations

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

Before final commitment we review existing operations on the basis of information relating to environmental impacts provided by the client at the screening stage.

Other exports

- 25 Do you review the environmental risks associated with Exports of capital goods and services that are neither to existing operations nor to projects?

No

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Standards

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

The result of the review process should be documented and should confirm that the project is comply with host country standards.

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

a) World Bank Safeguard Policies. Other than where IFC/RDB standards apply

b) International Finance Corporation (IFC) Performance Standards.

For private sector limited or non-recourse project finance cases (always)

c) Regional Development Bank standards.

Where such institutions are supporting the project (case-by-case basis)

Please provide details.

d) Other relevant internationally recognised standards, such as European Community standards.

If they are more stringent. Any sector specific or issue specific standards that are not addressed by the World Bank Group. Case-by-case decision.

- 28 Please provide details of the circumstances, if any, in which you use the following technical international standards for the purposes of evaluating the potential environmental impacts of Category A projects (i.e. for sovereign, public / non-sovereign, corporate, limited or non-recourse project finance transactions).

a) The Pollution Prevention and Abatement Handbook.

Any other comments.

Sovereign In most cases

For sectors covered by PPAH applicable at the time of the adoption of the new Common Approaches.

Public/non-sovereign In most cases

see above

Corporate Rarely

Limited or non-recourse project finance transaction Rarely

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b) IFC Environmental, Health and Safety Guidelines.

Any other comments.

Sovereign

Public/non-sovereign

Corporate

Limited or non-recourse project finance transaction

For sectors covered by EHS applicable at the time of the adoption of the new Common Approaches.

see above

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

a) World Bank Safeguard Policies.

b) International Finance Corporation (IFC) Performance Standards.

c) Regional Development Bank standards.

Please provide details.

d) Other relevant internationally recognised standards, such as European Community standards.

30 Please provide details of the circumstances, if any, in which you use the following technical international standards for the purposes of evaluating the potential environmental impacts of Category B projects (i.e. for sovereign, public / non-sovereign, corporate, limited or non-recourse project finance transactions):

a) The Pollution Prevention and Abatement Handbook.

Any other comments.

Sovereign

For sectors covered by PPAH applicable at the time of the adoption of the new Common Approaches.

Public/non-sovereign

see above

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Corporate

Limited or non-recourse project finance transaction

b) IFC Environmental, Health and Safety Guidelines.

Any other comments.

Sovereign

Public/non-sovereign

Corporate

Limited or non-recourse project finance transaction

For sectors covered by EHS applicable at the time of the adoption of the new Common Approaches.

see above

31 Please provide details of any circumstances in which you might apply more than one set of international standards or guidelines.

32 Please provide details on the circumstances in which you would use other internationally recognised sector specific or issue specific standards that are not addressed by the World Bank Group.

33 Please provide details of your procedures and practices in cases where projects do not meet the international standards or guidelines against which they have been benchmarked.

Site visits

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

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IV EVALUATION, DECISION AND MONITORING

Conditions to official support

- 35 How are conditions related to the environment incorporated into documentation prior to or after the decision on official support? Please provide details.

General Business Conditions being legally binding part of the loan/guarantee contract refers to the provisions of environmental conditions set forth in the relevant national regulation The fulfilment of the Environmental Procedure is the general pre-condition incorporated into the documentation prior to the decision. Specific conditions (e.g. monitoring requirement, permits, in-compliance mechanism) should be incorporated into documentation prior to or after the decision on official support, where it is necessary according to the outcome of the procedure.

Please provide examples of any environmental covenants used.

No experience.

Denying official support

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

We can not accept an application if the project does not meet the standards/regulations of the host country and the relevant international standards (which are the more stringent ones), or if its implementation would result in severe negative environmental impact or if the restoration, mitigation or compensation measures fail to balance the adverse environmental impacts.

Please provide any examples of experience.

No experience.

Monitoring

- 37 Please provide details of your procedures for monitoring, as appropriate, the implementation of a project, regardless of its classification, to ensure compliance with the conditions of your official support, including monitoring frequency/period, content and reporting method.

Where support is provided with certain conditions, we require feedback on compliance in the form of monitoring report, or other relevant documentation. In the case of non-compliance we take action upon case-by-case decision considering the particular circumstances, in order that our applicants restore compliance.

Monitoring frequency/period:

Depending on the case. The applicant may be obliged to submit monitoring reports at regular intervals as long as the insurer bears risks associating with the transaction.

Content:

Depending on the case.

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Reporting method:

Case-by-case decision.

- 38 i) Who is responsible for undertaking monitoring of projects, including, if appropriate, site visits and preparing monitoring reports?

Other

Please provide details.

Monitoring is to be prepared and provided by the applicant.

- ii) Who is responsible for reviewing monitoring information and deciding on compliance?

ECA Consultant

Non-compliance measures

- 39 What actions are available to you in cases where monitoring reveals that conditions are not being complied with?

Upon the in-house Environmental Practitioners' or independent experts' advice, the internal decision making body decides on further actions. If monitoring predicts any adverse impact or emergency the insurer may call on the stakeholders to take appropriate measures.

Who is responsible for deciding what actions are appropriate in order to restore compliance?

Other

Please provide details.

Upon the ECA consultant's advice, the internal decision making body decides on further actions.

Please provide any examples of experience.

No experience.

Disclosure of monitoring reports

- 40 i) In what circumstances do you encourage project sponsors to make *ex post* monitoring reports and related information publicly available?

In line with national laws on disclosure of environmental information, project sponsors are generally advised to make *ex post* monitoring reports and related information publicly available, and it is required in sensitive cases.

- ii) 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?

see above. . On a case by case basis we may disclose such information. This *ex post* disclosure may be accomplished via our web site.

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V EXCHANGE AND DISCLOSURE OF INFORMATION

Environmental procedural guidance

41 Have you published national ECA environmental policy statements and procedural guidance?

Yes
Where can they be found? MEHIB web-site

Please provide web address if relevant. <http://www.mehib.hu/Default.aspx?menuid=801&block=8>

Exchanging information

42 Please provide details of your procedures and practices in exchanging information with other ECAs and IFIs in situations of

a) co-insuring/co-financing.

Under our rules we have to share information on the review of projects, including project classification or standards applied. We collect information in the Questionnaire about the partner -ECA or IFI and we would try to reach common position, but no experience so far.

b) competition.

Taking into account the competitive context we have to share information on the environmental standards, or other relevant information. No experience so far.

Disclosure of project information

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

a) The scope and content of information released.

Project information (project name, location, description of project, classification (reasons) and details of information access)
Environmental impact information (e.g. EIA report, summary of EIA or audit if any)

b) The form and language of the information released.

In Hungarian and in English

including website address, if relevant. <http://www.mehib.hu/Default.aspx?menuid=801&block=8>

c) The required number of days the information should be made available prior to commitment.

At least 30 calendar days.

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d) Any legal constraints to *ex ante* disclosure of such project information (*i.e.* is your ECA legally precluded from making such information publicly available).

n.a.

e) Any circumstances in which project information relating to Category A projects is not disclosed prior to commitment.

In principle for exceptional reasons (and to be reported and justified) with reference to the art. 19 of the Common Approaches.

f) Any comments not covered by sub-sections (a)-(e) above.

no

Disclosure of environmental impact information

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

a) Responsibility for making such information publicly available. ECA

b) If the ECA or Guardian Authority is not responsible for such disclosure, please provide details of
i) how third parties are required to make such information publicly available;

n.a.

ii) how this is monitored;

n.a.

iii) what measures are available in cases of non-compliance:

iv) please provide any examples of experience.

n.a.

c) The scope and content of information that should be released.

Project name, location, description of project, categorisation (reason) and details of where additional information may be obtained.
Environmental impact information (e.g. EIA report, summary of EIA)

d) The form and language of the information that should be released (including website address, if released by ECA or Guardian Authority).

In Hungarian and in English

website address, if relevant. <http://www.mehib.hu/Default.aspx?menuid=801&block=8>

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e) The required number of days the information should be made available prior to commitment.

At least 30 calendar days.

f) Any legal constraints in *ex ante* disclosure of environmental impact information (*i.e.* is your ECA legally precluded from requiring the project sponsor to provide the disclosure as a condition of receiving ECA support).

n.a.

g) Any circumstances in which environmental impact information relating to Category A projects is not disclosed prior to commitment.

Our rules refer to the art. 19 of the Common Approaches, so in principle for exceptional reasons (and to be reported and justified).

h) Any comments not covered by sub-sections (a)-(g) above.

no

Ex post disclosure

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

a) How often you make publicly available *ex post* information on projects classified in Category A and Category B.

Annually

b) What is the scope and content of such information, including environmental information.

Project name, location, description of project, categorisation, environmental impacts, standards applied, and details of any access to additional information.

c) Who is responsible for disclosing such information.

Other

d) The form and language of the information released

Project list. In Hungarian and in English.

including website address, if relevant. <http://www.mehib.hu/Default.aspx?menuid=803&block=8>

e) How long the information remains publicly available.

No limitation.

f) Any comments not covered by sub-sections (a)-(e) above.

no

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VI REPORTING AND MONITORING OF THE RECOMMENDATION

Accountability of your guidelines

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

The Internal Auditor Office regularly reviews the internal procedures applied at MEHIB and reports to internal decision making bodies.

Monitoring and Evaluation

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

Procedure and practice are subject to annual controll. Regular ex post assessment is made by the internal auditor.

b) Please provide details of any procedures and practices in place to share experiences with other Members.

Reporting data to the ECG ex post on semi-annually, (Annex III, Category A and B)
Sharing information with other Members on ad hoc basis, reporting on existing operations for practitioners.

Revising procedures:

48 i) When was the last review or update of your environmental procedures conducted? (mm/yy)

July 2010

ii) What was the motivation for the last review or update of your environmental procedures?

1. The new developments of the OECD Council Recommendation entering into force on 12 Jun 2007.
2. Our environmental procedure has to be extended by a paralell procedure for the invetment insurance modality.

49 Are any modifications foreseen in the near future?

No

Resources

50 i) What resources have been required as a result of the implementation of your environmental procedures?

Staff costs, translation costs, expert costs.

ii) if appropriate, please provide the number of dedicated Environmental Practitioners

0

iii) if appropriate, please provide the number of external consultants employed by your ECA.

2

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Cost-sharing

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

Translation costs, expert costs, site visit cost.

Reporting

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

Semi-annually

Body of experience

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

Gathering information on individul cases from the web-sites, from ECAs cases studies, from reference documents of the consolidated reports are in our procedure and practice .

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

We store and forward documents via internal system operating under authorised access to the team.

- 55 Do you produce any reports on environmental issues in addition to those required by the Recommendation?

Yes

Please provide details.

see point 47 a)

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VII OTHER COMMENTS

Scope

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

In sensitive sector or site we tend to consider environmental risks and follow the Common Approaches procedure, on a case-by-case basis.

Any Additional Comments

- 57 Please provide any additional comments.

no