
SURVEY

on the Environment and Officially Supported Export Credits Projects

REPORTING COUNTRY INFORMATION*POL-KUKE-SURVEY-FEB-08*Reporting Country Reporting Institution Submission Date Version number **I GENERAL PRINCIPLES****Objectives**

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

In October 2007 KUKE S.A. finalised all the steps and efforts to support the objectives and milestones of the Revised Council Recommendation on Common Approaches which was adopted in June 2007. We updated all the regulations and procedures, in particular we modified applications for cover, Environmental Questionnaire and posted verified information on our web site. We also modified our policy on public disclosure of information for Category A and B projects. Before implementation of new procedures, intergovernmental consultations were carried out to make sure all the steps to be undertaken meet requirements of export, trade and environmental policies.

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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.

The information includes name of the project, its location and short description. Environmental questionnaire also contains questions on the contract value, presence of protected areas in the project location or its vicinity, other ECA name if involved.
All the specific information on project is important at this stage, *i.e.* if the project is new or existing operation, whole or partial project and if exported goods/services are connected with specific location, social aspects *etc.*

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?

Timing

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

Scope and criteria of screening

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

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

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

Any other comments.

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b) Re-insurance as lead ECA.

Would always conduct own screening

Any other comments.

When re-insuring with leading role of KUKE S.A., we follow our own procedures; however, exchange of information may be necessary.

c) Re-insurance as re-insurer.

Would rely on screening by lead ECA

Any other comments.

We check the outcome of the screening for information purposes only. If necessary, screening can be additionally done according to our procedure.

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]?

Our procedure has been extended by supplementary assessment to evaluate projects additionally, taking into account identification of its final destination in our review process. Main source for identifying destination of exports is the information covered by Environmental Questionnaire. Tailor-made quantity and quality of information submitted in questionnaire meet requirements in undergoing procedure. In case the information is not sufficient to determine whether export will cause any "material changes", the applicant is asked for submitting any further explanations. The extent of changes of existing operation is subject to case-by-case evaluation, due to the fact that minor changes in output, emissions or resource consumption may be recognised as no significant change.

New projects

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

Usually sufficient tool to identify a project is properly filled in Environmental Questionnaire.

Other exports

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

Based on responses included in the Environmental Questionnaire and description of an exported goods we are able to identify exports that are not destined to specific operation or installation.

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.

Export of some goods and services to existing operations is classified initially before further examination, if any material changes occur.

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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?

When the location of a project is on or close to a sensitive area.

Responsibilities for classification

15 Who is responsible for the classification of projects?

Other

Please provide details.

The initial classification is done by the applicant in the Environmental Questionnaire which is further verified by our underwriter and environmental expert. When applicant is not able to classify the project, it is determined by environmental expert.

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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 projects a full EIA Report is required in our review process. For Category B projects type of documentation and its content is determined on a case-by-case basis depending on characteristics of a project.

Responsibilities

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

Other

Please provide details.

An applicant and /or project sponsor.

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

ECA Consultant

Scope and criteria

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

EIA should illustrate all the links with other installations, kind and scale of mutual influences. In case of a lack of such information, additional data is required. Only full information is analysed and knock-on effects of projects are determined.

- 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 Develop

Any other comments.

Review results need to correspond to other institution findings; therefore, strict co-operation in review process and exchange of information is foreseen.

- b) Re-insurance as lead ECA.

Would always conduct own screening

Any other comments.

Acting as leading ECA is similar to regular review procedure, with benefiting from other agency's findings.

- c) Re-insurance as re-insurer.

May take account of review carried out by lead ECA

Any other comments.

Extra review may be necessary only in case a project classification or procedure differ from Common Approaches requirements.

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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

Our experience shows that presented EIA Report may not contain all required issues. In such a situation an addendum has to be prepared and submitted.

- 22 a) Who is responsible for
i) Commissioning an EIA?

Other

Please provide details.

An importer or an exporter/ project sponsor

- ii) Carrying out an EIA?

Other

Please provide details.

An importer or an exporter/ project sponsor

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

Applicant (in most cases)

Any other comments.

In case of sub-deliveries executed by Polish exporter forming only a minor part of a project, we may accept EIA report delivered by other ECA or international financial institution.

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

ECA Consultant

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.

Generally, the process of reviewing Category B project depends of its kind, scale and location. The required information always have to cover data on project location, project potential influence on particular environment elements with relation to national and international standards and social background of the project.

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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

Policy, legal and administrative framework

Project description

Baseline data

Environmental impacts

Analysis of alternatives

Environmental Management Plan

Consultation

Paragraph 8 (tired 1):

significant air emissions, effluents, waste or noise

significant use of natural resources

involuntary resettlement

impacts on indigenous peoples

cultural property

Existing operations

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

Our procedure provides environmental risk assessment for existing operations, but since we do not have any experience yet, no special practices has been developed. We plan in such cases to check (i) how the operation obeys the environmental requirements and (ii) make sure that export itself has no negative effect on the environment and will not worsen environmental conditions of existing facility.

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?

Standards

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

As a rule, EIA Report has to refer to national emission standards and ambient quality values. We check if estimated numbers fall within the range of a given standard and if necessary permits of local authorities were granted to the project

- 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.

Please provide details.

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- b) International Finance Corporation (IFC) Performance Standards.

Please provide details.

- c) Regional Development Bank standards.

Please provide details.

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

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

- a) The Pollution Prevention and Abatement Handbook.

Any other comments.

Sovereign Public/non-sovereign Corporate Limited or non-recourse
project finance transaction

- b) IFC Environmental, Health and Safety Guidelines.

Any other comments.

Sovereign

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Public/non-sovereign _____

In most cases

IFC EHS Guidelines updated on April 30 2007 are used as standards if EIA Report refers to them or if they are applicable to the specific activity

Corporate _____

In most cases

IFC EHS Guidelines updated on April 30 2007 are used as standards if EIA Report refers to them or if they are applicable to the specific activity

Limited or non-recourse
project finance transaction _____

In most cases

IFC EHS Guidelines updated on April 30 2007 are used as standards if EIA Report refers to them or if they are applicable to the specific activity

- 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.

Other

Please provide details.

In most cases.

- b) International Finance Corporation (IFC) Performance Standards.

For private sector limited or non-recourse project finance cases (case-by-case basis)

Please provide details.

When applicable.

- c) Regional Development Bank standards.

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

Please provide details.

No experience.

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

EU directives and regulations.

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- 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 Public/non-sovereign 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

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

Such situation may occur, when specific area is not fully regulated by one set of standards or guidelines. Thus other sets of standards are needed for benchmarking in review process.

- 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.

If any special installation/activity is not covered by standards of WB Group, sector specific guidelines like BATs and other may be applied. For instance BREFs prepared for IPPC procedure may be taken into account, but in rare cases.

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- 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.

We have no experience with such a case; however, according to our procedures in such cases loan financing the project cannot be insured and the application is rejected if measures to guarantee the compliance with international standards could not been taken.

Site visits

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

Site visits may be helpful during review process when environmental and social aspects of the project are not sufficiently presented EIA Report only (specific site problems, local inhabitants protests etc.). We have no experience with site visits.

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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.

Our conditions of cover provide for possibility to introduce covenants into insurance agreements. In specific situation, prior to the decision an applicant may be obliged to fulfil extra conditions, for example to submit particular information, document or opinion.

Please provide examples of any environmental covenants used.

We have no experience with covenants.

Denying official support

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

Denial is possible when the project does not meet environmental or social standards and an applicant does not want or is not able to make any improvements or take mitigation measures.

Please provide any examples of experience.

No experience yet.

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.

Monitoring mechanisms are mainly foreseen for major projects. Firstly, as a part of review process, environmental monitoring plan will be assessed. Then we will determine frequency, content and reporting method. We watch the results of monitoring during construction phase and at the start-up of the installation. Monitoring is a tool that has been not yet applied so far.

Monitoring frequency/period:

According to the environmental monitoring plan.

Content:

Depends on project type.

Reporting method:

Data sheet, written analysis, graphs.

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

Other

Please provide details.

Sponsor or buyer or exporter is responsible for carrying out the monitoring and preparing reports.

- 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?

Our procedures provide for the exporter to ensure that the project meets the environment requirements. If no action is taken or it is not satisfactory, cover of the credit may be invalid.

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

ECA Consultant

Please provide any examples of experience.

We have no experience with such a situation.

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?

This practice is recommended for Category A projects or for projects with special interest of public opinion.

- 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?

Monitoring results disclosure has not been formally required yet.

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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?

All the information, forms and instructions are available on our web site.

Please provide web address if relevant.

www.kuke.com.pl

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.

Sharing information, asking questions and answering queries are foreseen. Also, sending and receiving documents, EIA Reports and other materials connected with a particular project.

- b) competition.

Sharing information, asking questions and answering queries are foreseen.

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.

General information on project, details, where additional data may be obtained.

- b) The form and language of the information released.

List on our website. Polish, English, Russian languages

including website address, if relevant.

www.kuke.com.pl

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

At least 30 days in advance.

- 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).

The disclosure of information is subject to consent of the applicant and exporter.

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

Lack of consent to disclose in justified cases.

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

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:

N/A

- iv) please provide any examples of experience.

N/A

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

Full EIA Report or executive summary of it.

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

Acrobat Reader file, our website, original language

website address, if relevant.

www.kuke.com.pl or link to the web site of the applicant

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

At least 30 days in advance.

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- 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).

The disclosure of information is subject to consent of the applicant and exporter.

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

Lack of consent to disclose in justified cases.

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

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.

At least semi-annually.

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

General information on the projects, EIA Report for Category A projects

- c) Who is responsible for disclosing such information.

ECA

- d) The form and language of the information released

List of projects on our website. Polish, English, Russian languages

including website address, if relevant.

www.kuke.com.pl

- e) How long the information remains publicly available.

Up to 5 years

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

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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.

Following rules and instructions as well as filling in prepared forms is the base for proper procedure. Internal controlling mechanisms are also in place to ensure the compliance with the procedures. Co-operation of underwriter and environmental expert also ensures the compliance with principles of project screening, classification and assessment.

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.

We analyse periodically projects and procedures in the light of Common Approaches provisions. The results are basis of discussion within the Corporation and reported to the board.

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

On the international level views on general and individual problems connected with Common Approaches are exchanged within Practitioners' Group.

Revising procedures :

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

October 2007

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

The aim of it was to incorporate Revised Common Approaches into our internal procedures.

- 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?

Implementation of new procedures did not result in new jobs or extra expenditures.

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

1

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

1

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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?

Costs of the environmental documentation are born by the applicant or project sponsor. The costs of review are born solely by KUKE S.A.

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.

Our binding rules include the necessity of cooperation within "body of experience" to reflect the so far gained experience in individual cases.

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

Shared file where e-mails and information on environmental issues is stored, face-to-face meetings, internal training courses. Data on environmental issues related to individual transactions is stored both as hardcopies and digital records.

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

No

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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?

No special environmental procedures are foreseen for short-term projects.

Any Additional Comments

- 57 Please provide any additional comments.

Our relatively short observations on Revised Common Approaches of 2007 implementation show, that:

- new procedure was quite fast accepted by our clients, new forms are in most cases properly filled in,
- exporters are still not very keen to disclose information on the projects, including the environmental data, however their acceptance of this requirement rose,
- the environmental aspects of a project are becoming more and more important factor of risk assessment process.