
SURVEY

on the Environment and Officially Supported Export Credits Projects

REPORTING COUNTRY INFORMATION*TUR-Turk Eximbank-SURVEY-NOV-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.

Turk Eximbank has revised the Environmental Guidelines in compliance with the OECD Recommendation and cited the Guidelines on its web-page. We also inform the applicant Turkish companies about our environmental guidelines/practices and recent developments in the field on an on-going basis in different platforms.

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II SCREENING AND CLASSIFICATION OF PROJECTS

Exemptions

2 Are all applications screened?

Yes

Information requirements

3 What information is required for the screening process?

Separate environmental questionnaire

Please provide details of information required.

We require a document called "Environmental Information Form" to be filled in containing information about: Project site, country, sector, specific and descriptive name, amount of the project, starting time, construction period, whether the project is new or major expansion or an identifiable existing operation that is undergoing no material change, the buyer and its status, the name of the contractor (whether the Turkish company is a sub-contractor), the foreseen information of potential environmental impacts of the project, the parties to the project, the size of the project/operation, the aim of the project, the sensitive areas close to the project location.

Responsibilities

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

Other

Please provide details.

Both the Turkish contracting firm (also when it is the subcontracting firm to a foreign main-contracting firm) and the applicant (*i.e.* the borrower, in the Turkish system) are responsible for providing the information required at the application stage.

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

Underwriter (always)

Timing

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

At the application stage.

Scope and criteria of screening

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

We have not determined a strict process for such a case. However, we would consider such links on a best-effort basis and as our experience develops.

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).

May take account of screening by other ECAs or IFIs

Any other comments.

We, theoretically, require the contracting or subcontracting Turkish firm to provide the needed information. However, in cases where providing such information from the institutions involved seems more appropriate or faster and practical, we would also tap those institutions. We would rather make our own screening.

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b) Re-insurance as lead ECA.

Would always conduct own screening

Any other comments.

We, theoretically, require the contracting or subcontracting Turkish firm to provide the needed information. However, in cases where providing such information from the institutions involved seems more appropriate or faster and practical, we would also tap those institutions. We would rather make our own screening.

c) Re-insurance as re-insurer.

May take account of screening by lead ECA

Any other comments.

We, theoretically, require the contracting or subcontracting Turkish firm to provide the needed information. However, in cases where providing such information from the institutions involved seems more appropriate or faster and practical, we would also tap those institutions. We would rather make our own screening.

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]?

At the application stage, the contract is scrutinized to determine whether the destination of the specified goods and services are to an existing operation. Following the approval of the transaction, the customs documents together with the expertise reports are cross-checked as evidence.

New projects

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

At the application stage, the contract is scrutinized to determine whether the destination of the specified goods and services are to projects. Following the approval of the transaction, the customs documents together with the expertise reports are cross-checked as evidence.

Other exports

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

At the application stage, the contract is scrutinized and the specified goods and services which do not fall into the categories determined in questions 9 and 10 are treated as neither to existing operations nor to projects. Following the approval of the transaction, the customs documents together with the expertise reports are cross-checked as evidence. We do not proceed with respect to environmental review for such goods.

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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?

No

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?

We classify the projects as long as they are in or near sensitive areas enlisted in Annex I of Recommendation even if we have a share below SDR 10 million.

Responsibilities for classification

15 Who is responsible for the classification of projects?

Underwriter (always)

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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.

Our procedures prescribe the type of information necessary for the review process; i.e. which documents are to be provided after the projects are categorised. Additionally, since the projects are always reviewed on an ongoing basis we would always revert to the applicant at any time and ask for information, if need be.

Responsibilities

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

Other

Please provide details.

We deem the exporter/contractor and the applicant (i.e. the borrower, in the Turkish system) to provide the EIA and other documents needed.

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

Underwriter (always)

Scope and criteria

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

We have not determined a strict process for such a case. However, we would consider such links on a best-effort basis and as our experience develops.

- 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.

Would rely on review carried out by other ECAs, IFIs or Development

Any other comments.

In case TE is the minority partner, we rely on the environmental review of other ECAs or IFIs.

- b) Re-insurance as lead ECA.

Would always conduct own screening

Any other comments.

Our normal procedure applies. No special treatment. However we would consult other ECA(s) involved. We think there is an error in the drop-down menu for Question 20-b which has an option: "would always conduct own screening". It should be replaced by "would always conduct own review".

- c) Re-insurance as re-insurer.

Would rely on review carried out by lead ECA

Any other comments.

We usually rely on the review of the lead ECA.

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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?

Yes

Please provide details, including any examples of experience.

The issue is brought to the Board and resolved on a case-by-case basis taking into account various aspects including the priority attached by the host government, alternative environmental and social reports, foreseen and recommended mitigatory measures, the resources available to the buyer to afford such measures, etc. No experience so far.

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

Other

Please provide details.

Either the applicant (i.e. the borrower, in the Turkish system) or the project sponsor.

- ii) Carrying out an EIA?

Independent Consultant (in most cases)

Any other comments.

The consulting firm should be a member of FIDIC and also reputable to Turk Eximbank to carry out the EIA.

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

Applicant (in most cases)

Any other comments.

Either the applicant (i.e. the borrower, in the Turkish system) or the Turkish contractor/exporter.

- 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.

All projects are reviewed on a case-by-case basis. However, in case they fall into the sectors specified in Annex I of the Recommendation but had to be classified as Category B because of their lower volumes or scales might be treated as Category A projects.

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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	<input type="text" value="In most cases"/>
Policy, legal and administrative framework	<input type="text" value="In most cases"/>
Project description	<input type="text" value="In most cases"/>
Baseline data	<input type="text" value="In most cases"/>
Environmental impacts	<input type="text" value="In most cases"/>
Analysis of alternatives	<input type="text" value="In most cases"/>
Environmental Management Plan	<input type="text" value="In most cases"/>
Consultation	<input type="text" value="In most cases"/>

Paragraph 8 (tired 1):

significant air emissions, effluents, waste or noise	<input type="text" value="In most cases"/>
significant use of natural resources	<input type="text" value="In most cases"/>
involuntary resettlement	<input type="text" value="In most cases"/>
impacts on indigenous peoples	<input type="text" value="In most cases"/>
cultural property	<input type="text" value="In most cases"/>

Existing operations

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

Existing operations are reviewed on a case-by-case basis depending on the related environmental concerns.

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

Standards

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

After the application stage, we require the exporter/contractor to submit a form received from the related authority of host country on environmental issues declaring that the export of goods or the project is appropriate/agreeable within the limits of the host country standards. Additionally, in cases where an EIA Report is required, we urge the consultant to prepare a report comparing the standards to be used with those of the host country (in one case we required the declaration by the host country that the project complied with local standards). In consequence, we include clauses into the "Warranties and Undertakings" section of our Loan Agreements requiring the Borrower to affirm that the project meets the host country standards

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- 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.

Always

b) International Finance Corporation (IFC) Performance Standards.

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

Please provide details.

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.

In cases where the EC ECA is involved in the transaction.

- 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 Case-by-case

Public/non-sovereign Case-by-case

Corporate Case-by-case

Limited or non-recourse
project finance transaction Case-by-case

b) IFC Environmental, Health and Safety Guidelines.

Any other comments.

Sovereign Case-by-case

Public/non-sovereign Case-by-case

Corporate Case-by-case

Limited or non-recourse
project finance transaction Case-by-case

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- 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.

Always

b) International Finance Corporation (IFC) Performance Standards.

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

Please provide details.

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.

In cases where the EC ECA is involved in the transaction.

- 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

Case-by-case

Public/non-sovereign

Case-by-case

Corporate

Case-by-case

Limited or non-recourse
project finance transaction

Case-by-case

b) IFC Environmental, Health and Safety Guidelines.

Any other comments.

Sovereign

Case-by-case

Public/non-sovereign

Case-by-case

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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.

The co-insurance/co-financing operations in which we are involved, we would not object to the employment of more than one set of international standards.

- 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.

In co-insurance/co-financing cases where the leading ECA would like to employ those standards other than the WB standards.

- 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.

No fixed policy. Decision on how to handle the case and whether to proceed is made on a case-by-case basis.

Site visits

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

In cases where an EIA Report has been issued, the consulting firm reviewing the EIA Report is expected to recommend Turk Eximbank about the circumstances and frequency of site-visit requirements. In cases where there is no EIA Report, Turk Eximbank might require to hire a consulting firm for 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.

In accordance with the review of the consultants, Turk Eximbank, before final commitment, informs the exporter/contractor and the buyer and the (probable) loan borrower about the recommendations of the consultants and asks them to take necessary measures for the prevention and mitigation of adverse environmental impacts. At the final commitment stage, Turk Eximbank will incorporate covenants (usually in the form of CPs) into the loan agreements in case mitigatory measures are foreseen. Clauses are included into the "Warranties and Undertakings" section of our Loan Agreements requiring the Borrower to affirm that the project meets the host country standards. The loan agreements also have Protection of Environment clauses requiring the Contract Parties to pay due attention to the protection and conservation of the environment and ecology in entering into and performing the Contract and the usage of any Goods or Services provided thereunder, including, but not limited to giving due consideration to various issues. As regards ex-post measures, we include clauses into the Loan Agreements which enable us to suspend loan disbursements in case required mitigatory measures are not fulfilled.

Please provide examples of any environmental covenants used.

Denying official support

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

Those projects failing to meet the relevant standards are normally treated in the same way with others to which are attached a negative credit opinion. The issue is brought to the Board and resolved on a case-by-case basis taking into account various aspects including the priority attached by the host government, foreseen and recommended mitigatory measures, the resources available to the buyer to afford such measures, etc.

Please provide any examples of experience.

Monitoring

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

There is no strict procedure regarding the monitoring of fulfillment of environmental covenants. However, the evaluation for monitoring requirement is decided on a case-by-case basis upon the recommendations made by the consulting firm reviewing the EIA Report. In case mitigatory measures are required, we include clauses into the Loan Agreements to enable us to suspend loan disbursements.

Monitoring frequency/period:

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Content:

Reporting method:

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

ECA Consultant

- 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?

In case mitigatory measures are required, we include clauses into the Loan Agreements to enable us to suspend loan disbursements. No experience, so far.

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

Underwriter (always)

Please provide any examples of experience.

No experience so far.

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 case of Category A projects Turk Eximbank might encourage project sponsors to make ex-post disclosure of monitoring reports publicly available.

- 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?

In case of Category A projects Turk Eximbank encourages project sponsors to make ex-post disclosure of monitoring reports publicly available.

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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?

[They can be found on our web-site in both Turkish and English](#)

Please provide web address if relevant.

www.eximbank.gov.tr

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.

[We are open to exchanging information on environmental issues and perceptions in co-insuring/co-financing deals.](#)

b) competition.

[We are also open to exchanging information on environmental issues and perceptions in competition.](#)

Disclosure of project information

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

a) The scope and content of information released.

b) The form and language of the information released.

including website address, if relevant.

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

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

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

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

We have no fixed procedure for disclosing information publicly but in accordance with our procedures, we get the consent of the exporter/contractor that Turk Eximbank might disclose information about the transaction while conforming to business confidentiality.

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.

Project Sponsor

- 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;

- ii) how this is monitored;

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

- iv) please provide any examples of experience.

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

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

website address, if relevant.

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

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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).

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

- 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.

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

- c) Who is responsible for disclosing such information.

- d) The form and language of the information released

including website address, if relevant.

- e) How long the information remains publicly available.

- 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.

Among our internal procedures are the Board Approval for each and every transaction as well as the approval of our Guardian Authority for most of the transactions. The Operational Manuals of each program should include relevant provisions within our environmental guidelines. Furthermore, in case of any conflict or hesitation we can consult with our Ministry for Environment and Forestry whose legislation has become almost in full compliance with that of EU.

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.

No specific procedures and practices.

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

Revising procedures :

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

February 2008

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

The approval of the Board of Directors for the revision of the Environmental Guidelines was in February 2008. The Guidelines has been updated in accordance with the Recommendation.

- 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?

The regular staff has been utilized for the implementation of environmental procedures. No full-time external consultants are being employed for the time-being but might be hired on a case-by-case basis. We include clauses to our loan documentatiton to cover this issue (i.e. Turk Eximbank is entitled to hire a consultant for environmental matters). As experience develops, the Bank may employ in-house consultants.

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

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

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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 are borne by exporter/contractor who in turn has the right to recourse his buyer.

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.

No.

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

Case-by-case discussions are taking place among the line officers on the specifics of projects for which applications have been received.

- 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?

[They are not treated under the Environmental Guidelines.](#)

Any Additional Comments

- 57 Please provide any additional comments.

[No additional Comments.](#)