

SURVEY**on the Environment and Officially Supported Export Credits Projects****REPORTING COUNTRY INFORMATION**

MEX-BANCOMEXT-SURVEY-DEC-09

Reporting Country	Mexico	Reporting Institution	Bancomext
Submission Date	07 December 2009	Version number	1

I GENERAL PRINCIPLES**Objectives**

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

Regarding environmental issues, Bancomext has established some initial procedures consistent with those of international financial institutions such as IDB, World Bank and other European IFIs. The procedures are consistent with the objectives of the Recommendation. Also Bancomext is now preparing an Environmental Manual with the World Bank that will be the basic manual in environmental issues.

MEX-BANCOMEXT-SURVEY-DEC-09**II SCREENING AND CLASSIFICATION OF PROJECTS****Exemptions**

2 Are all applications screened? No

Please provide details of any exemptions from screening, including the value of any threshold used.

i) value of any threshold used: currency:

ii) details of any exemptions from screening:

Applications with no environmental impact or classified with an environmental low risk don't require the screening.

Information requirements

3 What information is required for the screening process? Separate environmental questionnaire

Please provide details of information required.

Description of project, legal information and according to the industry, emission to the atmosphere, water supply, water unloading and if chemicals involved warehouse location and security measures, among others.

Responsibilities

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

Applicant (in most cases)

Any other comments.

The applicant could be an exporter (first tier) or a financial institution (second tier).

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

Other

Please provide details.

Generally, Bancomext's officers that are duly trained to do this task. However, if a project is classified as Category A or B a consultant would be hired.

Timing

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

In the application stage prior the assesment process.

Scope and criteria of screening

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

At the credit analysis level the operational links allows for the screening to be applied to the associated operations.

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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).

Would always conduct own screening

Any other comments.

Bancomext must always be certain that Mexican environmental legislation is complied.

b) Re-insurance as lead ECA.

Other

Please provide details.

N/A

c) Re-insurance as re-insurer.

Would always conduct own screening

Any other comments.

N/A

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]?

The procedures are the same as described in other sections.

New projects

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

The procedures are the same as described in other sections.

Other exports

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

The procedures are the same as described in other sections.

Classification system

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

No

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Scope of classification

13 Do you classify exports of capital goods and services

a) that are to existing operations?

Yes

Please provide details.

Bancomext applies International procedures and Mexican legislation.

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

Yes

Please provide details.

Bancomext applies International procedures and Mexican legislation.

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

Generally Bancomext classifies all the projects.

Responsibilities for classification

15 Who is responsible for the classification of projects?

Other

Please provide details.

Generally, Bancomext's officers who are duly trained to do this classification. However, if a project is classified as Category A or B a consultant would be hired for this purpose.

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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.

Case-by-case approach

Please provide details.

First tier applicant each project is reviewed case by case. However, when the applicant is a Second tier financial institution Bancomext provides the information required through Operational Rules of the Program.

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?

Other

Please provide details.

Generally, Bancomext's officers that are duly trained to do this task. However, if a project is classified as Category A or B a consultant would be hired.

Scope and criteria

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

At the credit analysis level the officer check associated operations.

- 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 always conduct own review

Any other comments.

In the case of international financial institutions, Bancomext is appointed as the entity responsible for the screening.

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- b) Re-insurance as lead ECA.

Other

Please provide details.

N/A

- c) Re-insurance as re-insurer.

Would always conduct own review

Any other comments.

N/A

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.

EIA should comply with Mexican authorities requirements.

- ii) Carrying out an EIA?

Applicant (in most cases)

Any other comments.

Mexican authorities should issue the correspondent certificate.

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

Applicant (in most cases)

Any other comments.

Bancomext verifies authenticity.

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c) Who is responsible for reviewing an EIA report?

Please provide details.

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.

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?

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

Please provide details.

Standards

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

- 27 Paragraph 12 of the Recommendation sets out the general circumstances in which 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.

b) International Finance Corporation (IFC) Performance Standards.

Please provide details.

c) Regional Development Bank standards.

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

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- 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

Public/non-sovereign

Corporate

Limited or non-recourse project finance transaction

- 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.

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b) International Finance Corporation (IFC) Performance Standards.

Please provide details.

c) Regional Development Bank standards.

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

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

a) The Pollution Prevention and Abatement Handbook.

Any other comments.

Sovereign

Public/non-sovereign

Corporate

Limited or non-recourse project finance transaction

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b) IFC Environmental, Health and Safety Guidelines.

Any other comments.

Sovereign Please select

N/A Bancomext doesn't operate with the IFC

Public/non-sovereign Please select

N/A Bancomext doesn't operate with the IFC

Corporate Please select

N/A Bancomext doesn't operate with the IFC

Limited or non-recourse project finance transaction Please select

N/A Bancomext doesn't operate with the IFC

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

When more than one international institution participates.

- 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.

N/A

- 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.

In these cases, Bancomext does not provide financing.

Site visits

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

A site visit is included in our 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.

Prior, Bancomext provides the information required to the Applicant or financial institution before the applicant presents the financing application. In the case of first tier operations, Bancomext's promotional officers consult the international officers on the specific requirements to be eligible for financing. In the case of second tier operations, Bancomext includes them in the Operational Rules send to each participant financial institution.

Please provide examples of any environmental covenants used.

For example, in the case of IDB Category A project Applicant must receive the visit of the Mexican Cleaner Production Center "CMPL" (which is a Mexican organization with international recognition that provides cleaner production services in Mexico) and follow their recommendations, before Bancomext can even consider it eligible for financing. In addition, Applicant must not be included in IDB and Bancomext exclusion list. Category A projects are not eligible for World Bank financing.

Denying official support

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

When a project is classified with a high environmental risk, or if it is included in the exclusion list of the World Bank, IDB, other IFI or Bancomext.

Please provide any examples of experience.

In these cases, Bancomext channels the Applicant to the Mexican Cleaner Production Center (CMPL) to receive technical assistance.

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.

For IDB loans Bancomext always requires that the Mexican Cleaner Production Center (CMPL) provides a seminannual report regarding the environmental requirements. Also, Bancomext requires an annual report from an independent consultant who will make a site visit. If the consultant suggests recommendations, Bancomext's officers must assure that the Applicant complies with them.

Monitoring frequency/period:

Annually.

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Content:

Las revisiones ambientales seleccionarán al azar un número mínimo de transacciones, equivalente al que sea mayor entre 10 o un número igual al 10% de los préstamos desembolsados en virtud de la línea de crédito durante el año anterior. Como parte de la revisión, se analizará toda la documentación pertinente requerida para establecer dicho cumplimiento de las partes. Dicha documentación incluirá como mínimo, de manera no exclusiva: *[NB: informal translation: monitoring reviews will involve a random selection of transaction of between ten and a number equivalent to 10% of the loans disbursed from the credit lines of the previous year. As part of the review, all the relevant documents will be analysed to establish the compliance of the various parties. The documents reviewed will include, for example (non-exhaustive list)]:*

- La documentación de "precalificación" de riesgo ambiental del cliente de BANCOMEXT, particularmente el Sub-anexo V;
 - Las Listas de Participantes al curso de Orientación de Producción Más Limpia del Centro Mexicano para la Producción Más Limpia (CMPL);
 - Las Evaluaciones de Desempeño Ambiental de los Clientes de riesgo alto (Sub-anexo IV) y los Análisis Técnicos en el caso de Evaluaciones de Desempeño Ambiental desfavorables
 - Los informes semestrales del CMPL.
- La revisión ambiental anual del desempeño debe enfocarse en los siguientes aspectos principales:
- Las mejoras en la eficiencia operativa y el desempeño ambiental resultante de las iniciativas de producción más limpia implementadas por el Sub-prestatario, si fuera el caso;
 - El cumplimiento del Acuerdo de Cooperación del CMPL con BANCOMEXT;
 - El cumplimiento de BANCOMEXT con el Sistema Ambiental y Social de Gestión de Riesgo.

Reporting method:

Clean Production Method (Metodo Producción Limpia "PL")

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

Other

Please provide details.

The Mexican Cleaner Production Center (CMPL) and an independent consultant.

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

Other

Please provide details.

Bancomext officers with technical assistance, the CMPL or an independant consultant.

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Non-compliance measures

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

Bancomex does not have any experience in such cases. However, if the conditions are not complied, Bancomext could request for a justification and a reasonable timing to comply with them. Or if the case may be could accelerate the Credit.

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

Other

Please provide details.

Bancomext's officers

Please provide any examples of experience.

Bancomext has no experience in these cases.

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 non-compliance 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?

In non-compliance cases.

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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?

Our web page is being rebuild, our environmental manual (when finished) will be included. In addition, a link to Mexican environmental entities is considered.

Please provide web address if relevant.

Exchanging information

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

a) co-insuring/co-financing.

N/A

b) competition.

N/A

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.

Today's procedures do not allow for Category A projects to be financed.

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.

30 days, when applicable

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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).

Mexico's bank secrecy obligation contained in the Article 117 of the Mexican Credit Institutions Law.

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

N/A

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

N/A

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;

ii) how this is monitored;

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

iv) please provide any examples of experience.

Bancomext does not have any experience.

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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.

30 days when applicable

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).

Mexico's bank secrecy obligation contained in the Article 117 of the Mexican Credit Institutions Law.

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

N/A

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

N/A

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.

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

Number and volume of transactions.

c) Who is responsible for disclosing such information.

ECA

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.

N/A

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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.

Operational Rules that are sent to financial institutions and Operational Manuals.

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.

Bancomext is in the process of implementing the Environmental Manual of the World Bank (when finished), which includes the National Environmental provisions.

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

Bancomext could share the procedures with other Members when requested.

Revising procedures :

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

July 2007

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

Signing a Loan Agreement with the IDB.

- 49 Are any modifications foreseen in the near future?

Yes

For what reason?

When the Environmental Manual is finished.

When ? (mm/yy)

October 2010

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Resources

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

Own.

- 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.

Cost-sharing

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

Costs are generally assumed by Bancomext.

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?

Other

Please provide details.

Bancomext will report semi-annually when the systems are in place.

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.

N/A

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

Through courses and seminars organized in coordination with the CMPL.

- 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?

In these cases, the Applicant provides compliance with Mexican legislation.

Any Additional Comments

- 57 Please provide any additional comments.