
SURVEY

on the Environment and Officially Supported Export Credits Projects

REPORTING COUNTRY INFORMATION**KOR-KEXIM-SURVEY-MAY-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.

We have established the environmental policy, and are operating the Environmental Review Procedures, pursuant to the OECD's "Recommendation on Common Approaches on Environment and Officially Supported Export Credits". The objective of our policy is to prevent, minimize or mitigate the negative environmental impacts of the supporting projects, and to contribute to sustainable development.

The policy, in consideration of the environmental impacts from its supporting projects, includes comprehensive process to assess the environmental impacts of the related projects and prepare for their mitigation measures. We also conduct post monitoring on such projects.

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II SCREENING AND CLASSIFICATION OF PROJECTS

Exemptions

2 Are all applications screened?

Yes

Yes, we screen all applications for export credits covered by OECD's "Arrangement on Officially Supported Export Credits".

Information requirements

3 What information is required for the screening process?

Other

Please provide details.

Either our environmental screening form which covers general and environmental information on a project or an EIA report, in case it is available, is required for the process.

Responsibilities

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

Other

Please provide details.

Borrower and/or Sponsor and/or Exporter are responsible for providing the information.

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

Underwriter and Environmental Practitioner (case-by-case basis)

Please provide details.

Loan departments are responsible for screening applications. Environmental practitioners will assist the loan department when required.

Timing

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

As early as possible.

Scope and criteria of screening

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

Our screening process identifies, to the extent possible, the degree of operational linkage, ownership, and the potential impact of the project. This information will be used as a basis for the Environmental review.

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.

We screen applications based on our policy which follows Common Approaches in consultation with the ECAs and/or IFIs involved.

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b) Re-insurance as lead ECA.

Please select

Any other comments.

not applicable

c) Re-insurance as re-insurer.

Please select

Any other comments.

not applicable

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]?

We have a question dedicated to identifying exports of capital goods and services to existing operations in the Environmental Screening Form.

New projects

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

We have a question dedicated to identifying exports of capital goods and services to projects in the Environmental Screening Form.

Other exports

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

We screen such exports of capital goods and services based on the nature and characteristics of the goods and services. They are normally classified as Category C.

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.

We classify exports to existing operations based on potential impacts by the changes/modifications made to the operation.

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

Yes

Please provide details.

For exports that are neither to existing operations nor to projects, we classify them based on the nature and characteristics of the goods and services being exported. They are normally classified as Category C.

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

If a project is promoted in or near environmentally sensitive areas, we classify the project regardless of our share

Responsibilities for classification

- 15 Who is responsible for the classification of projects?

Environmental Practitioner (always)

Responsibility for the classification lies with the Engineering & Environment Advisory Office.

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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.

- Category A: We should require an EIA report.
- Category B: The type of information necessary for an environmental review may vary from project to project.
- Category C: Beyond screening and classification, no further action is required.

Responsibilities

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

Other

Borrower and/or Sponsor and/or Exporter are responsible for providing the information.

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

Environmental Practitioner (always)

Scope and criteria

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

Our review process will address cumulative impact on natural environment, lives of nearby residents and social environment in relation to the associated operations. The evaluation of such cumulative impacts will be considered in making a final decision for commitment.

- 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.

We review projects based on our policy which follows Common Approaches in consultation with the ECAs or IFIs involved.

- b) Re-insurance as lead ECA.

Please select

Any other comments.

not applicable

- c) Re-insurance as re-insurer.

Please select

Any other comments.

not applicable

KOR-KEXIM-SURVEY-MAY-08**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?

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

Any other comments.

- ii) Carrying out an EIA?

Any other comments.

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

Please provide details.

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

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

Paragraph 8 (tired 1):

significant air emissions,
effluents, waste or noise

KOR-KEXIM-SURVEY-MAY-08Policy, legal and
administrative framework significant use of
natural resources Project description involuntary resettlement Baseline data Environmental impacts impacts on Analysis of alternatives indigenous peoples
cultural property Environmental
Management Plan Consultation **Existing operations**

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

Environmental risk review associated with existing operations is carried out within the classification process based on the information collected by the Environmental Screening Form.

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?

Please refer to our answer to question 11.

Standards

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

EIA report and independent consultant report, if any, is reviewed to see if it complies with host country standards. We also confirm the letter of approval issued by the relevant authorities. Where necessary, we make visits to the relevant agencies to reconfirm compliance.

- 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.

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- 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.

Case-by-case

- 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.

For the sectors covered by the PPAH : PPAH

For the sectors that are not covered by the PPAH: EHS Guidelines

Any other comments.

Sovereign Please select

Public/non-sovereign Please select

Corporate Please select

Limited or non-recourse
project finance transaction Please select

- b) IFC Environmental, Health and Safety Guidelines.

Any other comments.

Sovereign Please select

Public/non-sovereign Please select

Corporate Please select

Limited or non-recourse
project finance transaction Please select

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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.

Case-by-case

- 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):

For the sectors covered by the PPAH : PPAH

For the sectors that are not covered by the PPAH: EHS Guidelines

a) The Pollution Prevention and Abatement Handbook.

Any other comments.

Sovereign Please select

Public/non-sovereign Please select

Corporate Please select

Limited or non-recourse
project finance transaction Please select

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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

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

We sometimes use WB-Safeguard Policies with IFC Performance Standards when some social issues are not fully covered by WB ones. In addition, in case of a co-financing with a RDB, we use the RDB standard in addition to the WB-Safeguard Policies.

- 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.

We use sector specific or issue specific standards when we need to address sectors or issues that are not covered by the World Bank Group 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.

We will consult with the host country government, borrowers and exporters/project sponsors to confirm the background and justification for the deviation.

Site visits

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

For Category A projects, we usually carry out a site visit to confirm the EIA report.

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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.

We use environmental covenants in the loan agreement. If we judge that appropriate environmental and social considerations are not ensured at the time of our loan approval, environmental clauses will be incorporated in the loan agreement as CP for the first disbursement. In such a case, in principle, we will not make the loan disbursement unless the specified conditions are satisfied. In addition, if there is a non-compliance with the environmental covenants in the loan agreement after the disbursement of the loan, we may stop the additional disbursement or declare Event of Default until that situation is remedied.

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.

If the related project is still considered to hold severe environmental risks without insufficient mitigation measures following a thorough consideration of environmental review, we are entitled to refrain from approving the loan. Such decision would be made on a case-by-case basis.

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.

For Category A projects, in principle, we confirm the implementation of ESMP through the regular monitoring reports presented by borrower. We may conduct site visit to audit. Monitoring frequency /period depends on each case and the contents on the monitoring report are based on the ESMP. For Category B projects, environmental monitoring shall be implemented if we deem it necessary after its loan approval.

Monitoring frequency/period:

Content:

Reporting method:

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

Please select

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

Please select

Borrower and/or sponsor are responsible for undertaking monitoring of projects. Engineering & Environmental Office is responsible for confirming the monitoring results.

Non-compliance measures

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

It depends on each case, but in most cases, when there is a non-compliance with the environmental covenants in the loan agreement, we may stop the disbursement or declare Event of Default until that situation is remedied. Such decision would be made by the financial Departments in consultation with the Engineering & Environmental Office.

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

Please select

Please provide any examples of 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?

We always encourage project sponsors to follow good practice including disclosure of *ex post* monitoring reports. However, ultimately, such disclosure is dependent on the local legislation. We do not make such information publicly available as ownership and responsibility of the information lies with the project sponsor.

- 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?

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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?

We have established our own environmental policy and published it as an environmental review procedure handbook. However, we haven't posted it on our web site yet.

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.

b) competition.

We don't have any specific procedure and it depends on each case. With respect to projects that are co-financed by other financial institutions, we endeavour to exchange information on environmental and social considerations with the other institutions concerned.

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 name, site location, description of project, etc.

b) The form and language of the information released.

Korean and English

including website address, if relevant.

http://www.koreaexim.go.kr/en/fservice/m01/s04_03.jsp

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

30 calendar days prior to a final 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).

In case the borrower and/or sponsor and/or exporter do not consent to the disclosure due to business confidentiality, such disclosure may be omitted.

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

None so far.

- 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

We request project sponsors to post non-technical summary of EIA reports on their web site in addition to make EIA reports publicly available.

- 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.

Project name, site location, description of project, and summary of EIA report, etc. In addition, we make the full EIA reports available if they are required by stake holders and interest parties.

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

Korean and English

website address, if relevant.

http://www.koreaexim.go.kr/en/fservice/m01/s04_03.jsp

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

30 calendar days prior to a final commitment.

- 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).

In case the borrower and/or sponsor and/or exporter do not consent to the disclosure due to business confidentiality, such disclosure may be omitted.

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

None so far.

- 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.

Within 10 days after executing each loan agreement.

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

Project name, site location, description of project, and summary of EIA report, etc.

- c) Who is responsible for disclosing such information.

ECA

- d) The form and language of the information released

Korean and English

including website address, if relevant.

http://www.koreaexim.go.kr/en/fservice/m01/s04_03.jsp

- e) How long the information remains publicly available.

At least 30 days.

- 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.

Audit Office and Committee check to ensure compliance with our own environmental guidelines

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

No specific procedure or practice in place

Revising procedures :

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

December 2007

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

The last update of our policy was December 17, 2007 to reflect updated OECD Common Approaches.

- 49 Are any modifications foreseen in the near future?

No

We don't have any plan for the modification of our policy in the near future but we will update the policy whenever its modification is necessary.

Resources

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

We have approximately 5 practitioners in our Engineering & Environment Advisory Office. In addition to that, we retain external consultants as necessary for reviewing each project.

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

5

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

0

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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 during the due diligence process: the cost of producing EIA reports is the responsibility of project sponsors.
After the conclusion of the financing agreement: cost of monitoring is the responsibility of project sponsors.

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.

Each project is neatly filed so that any other practitioners or underwriter can access and benchmark other projects.

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

Each project is neatly filed so that any other practitioners or underwriter can access and benchmark other projects.

- 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?

We haven't reviewed any project with a repayment term of less than two years and this case are not described in our policy.

Any Additional Comments

- 57 Please provide any additional comments.