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## SURVEY

### on the Environment and Officially Supported Export Credits Projects

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**REPORTING COUNTRY INFORMATION***FIN-Finnvera-SURVEY-MAR-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.

Environmental issues related to Finnvera's Export credit guarantee activities are addressed according to our environmental policy and environmental review procedure. These documents were updated in January 2008 in order to reflect the current Common Approaches. For detailed description of the environmental policy and environmental review procedure, please see Finnvera's website: <http://www.finnvera.fi/index.cfm?id=1718>.

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### II SCREENING AND CLASSIFICATION OF PROJECTS

#### Exemptions

2 Are all applications screened?

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 where related credit repayment period is less than two years are not screened. However, if any relevant environmental information is found out in these cases, it will be considered in the application process.

#### Information requirements

3 What information is required for the screening process?

Please provide details.

Detailed information about the project, separate environmental questionnaire, information about environmental sensitivity of project site and of other areas affected by the project and additional specifying information if necessary.

#### Responsibilities

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

Applicant (in most cases)

Any other comments.

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

Environmental Practitioner (always)

#### 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.

Based on the information referred in the answer to question 3, we understand different operations of the project and how they are linked to each other. This information is taken into account on case by case basis. It might affect environmental classification and scope of environmental review of a project.

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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.

b) Re-insurance as lead ECA.

Would always conduct own screening

Any other comments.

c) Re-insurance as re-insurer.

May take account of screening by lead ECA

Any other comments.

### **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 information referred to in the answer to question 3 includes information whether export delivery is destined to an existing operation.

### **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 information referred to in the answer to question 3 includes information whether export delivery is destined to a new project.

### **Other exports**

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

We do not have experience on export deliveries destined to multiple locations and where the initial project/operation is not defined. However, in case of an export delivery of mobile stand-alone equipment, which does not cause environmental impacts as such and this delivery would be to an identifiable location, we would classify it as "non-project" and would not conduct environmental review if the contract price is less than EUR five million assuming that project site is not sensitive area and that project does not impact sensitive areas. If other things would remain same, but contract price would be over EUR five million, then we would conduct a lighter environmental review on case-by-case basis.

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### Classification system

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

Yes

Please provide details.

Some transactions are classified as "non projects"; see answer to the question 13.

### Scope of classification

- 13 Do you classify exports of capital goods and services

- a) that are to existing operations?

Yes

Please provide details.

Applications for exports of capital goods and services to existing operations that are not in or near sensitive areas and that are undergoing no material change and where export delivery contract price is less than EUR five millions are classified as "non projects" and no further environmental review is done.

Applications for exports of capital goods and services to existing operations that are not in or near sensitive areas and that are undergoing no material change and where export delivery contract price is more than EUR five millions are classified as "non projects" and will be reviewed for environmental risks.

Applications for exports of capital goods and services to existing operations that are not in or near sensitive areas and that are undergoing material change and where export delivery contract price is more than EUR five millions are classified into environmental categories A, B and C as appropriate.

Applications for exports of capital goods and services to existing operations that are in or near sensitive areas are classified into environmental categories A and B.

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

Yes

Please provide details.

See answer 11.

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

If a project is located in sensitive area or if it can impact a sensitive area or if the export delivery contract price is EUR five millions or more.

### Responsibilities for classification

- 15 Who is responsible for the classification of projects?

Environmental Practitioner (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.

For category A projects: an Environmental Impact Assessment (EIA) of the project is required. The EIA report should include the items referred to in Annex 2 of the Common Approaches.  
For category B projects: e.g. environmental studies conducted on the project and replies given to Finnvera's questions regarding environmental issues and impacts are reviewed.  
For category C projects: no environmental studies are required. However, some action may be taken on a case-by-case basis; for instance, the validity of an environmental permit may be checked.  
For "non projects" where export delivery contract value is more than EUR five million: information enabling review of environmental risks is required.

#### Responsibilities

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

Applicant (in most cases)

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

Environmental Practitioner (always)

#### Scope and criteria

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

If such associated operations are within the scope of project defined by Finnvera, they are included in the environmental review.

- 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.

- b) Re-insurance as lead ECA.

Would always conduct own screening

Any other comments.

- c) Re-insurance as re-insurer.

May take account of review carried out by lead ECA

Any other comments.

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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.

If an existing EIA is not satisfactory, we try to get missing information by asking for additional environmental studies to be conducted and/or we might require an environmental site audit by ourselves and/or by an independent environmental consultant.

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

Project Sponsor (in most cases)

Any other comments.

- ii) Carrying out an EIA?

Other

Please provide details.

In practice project sponsors normally use external consultants to carry out EIA studies.

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

Applicant (in most cases)

Any other comments.

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

Environmental Practitioner (always)

### 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.

We compare project's expected environmental performance to requirements of relevant international environmental guidelines, check whether local environmental requirements are met and review environmental impacts (e.g. impacts on air and water quality) as far as possible. Local and international environmental guidelines need to be met.

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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?

In case an application is for exports of capital goods and services to an existing operation that is undergoing no material change in output or function, we ask questions about relevant environmental risks from the applicant/sponsor.

In case an application is for exports of capital goods and services to an existing operation that is undergoing material change in output or function, we classify the project to relevant environmental category and conduct environmental review as in case of categories A and B as for new projects. In such a case a site visit to the existing operation might be deemed necessary.

**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 provide details.

**Standards**

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

At minimum we ask about environmental permit situation of the project. In many category A and B projects we also get numerical and qualitative data about local requirements in environmental issues.

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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

The answer means that WB safeguard policies are used if they are relevant for the project.

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.

We have used EU BAT reference documents when a project has been designed to comply with the EU BAT requirements or as additional information base for the environmental review.

- 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

Rarely

In "old" cases where application for export credit guarantee would have been received by Finnvera before our new environmental policy became into force *i.e.* in cases where we would have received an application before 2/2008.

Public/non-sovereign

Rarely

Same as for sovereign

Corporate

Rarely

Same as for sovereign

Limited or non-recourse  
project finance  
transaction

Rarely

Same as for sovereign

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b) IFC Environmental, Health and Safety Guidelines.

Any other comments.

Sovereign Public/non-sovereign Corporate Limited or non-recourse 

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

a) World Bank Safeguard Policies.

b) International Finance Corporation (IFC) Performance Standards.

Please provide details.

c) Regional Development Bank standards.

Please provide details.

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

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

a) The Pollution Prevention and Abatement Handbook.

Any other comments.

Sovereign

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Public/non-sovereign

Rarely

Same as for sovereign

Corporate

Rarely

Same as for sovereign

Limited or non-recourse  
project finance transaction

Rarely

Same as for sovereign

## b) IFC Environmental, Health and Safety Guidelines.

Any other comments.

Sovereign

In most cases

Public/non-sovereign

In most cases

Corporate

In most cases

Limited or non-recourse  
project finance transaction

In most cases

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

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

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

We try to assess reasons behind and significance of such deviations. We also take note if significant "over compliance" is expected in some other issues of the project i.e. clearly better performance in some other requirements that the international guidelines contain. We may notify project sponsor about the possible deviations and ask for justifications. We may negotiate possible improvements with project sponsor. If such deviations are expected to exist, they would be considered by the Finnvera decision makers, and would be reported to the OECD in accordance with para 22 in the Common Approaches.

**Site visits**

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

In most category A projects. Exceptionally in a category B projects if there is a specific reason; for example regarding associated existing facilities.

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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.

When covenants related to environmental issues are included in the documentation, most of them have been incorporated into loan agreements guaranteed by Finnvera.

Please provide examples of any environmental covenants used.

Compliance with environmental management plans, compliance with international environmental guidelines, covenants defining environmental monitoring arrangements etc.

#### Denying official support

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

Clear, major breaches of international standards would lead to such consideration.

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.

Content of the monitoring arrangement may vary from project to project. The project company is carrying out detailed environmental monitoring of its production operations. In some cases we receive results of such a monitoring in an agreed format. In other cases such monitoring results may be verified by an independent third party. If monitoring of ambient environment (e.g. water and air quality) is part of the monitoring arrangement, such monitoring is often conducted by a third party.

Monitoring frequency/period:

If there is a monitoring arrangement in place, we would receive a monitoring report for example once a year during the operational phase and in some cases more often during construction phase.

Content:

Monitoring results may include for example: 1) quantitative measurement data related to production operations and ambient environment, 2) comparisons to relevant limit values, 3) information about implementation of concrete measures to prevent, manage or mitigate environmental impacts, 4) information about achieved management system certifications, 5) results of site audits by external parties and 6) information about possible non-conformity situations and how such situations were remedied.

Reporting method:

In agreed written format.

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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.

See also answer to question 37. Site visits are on consultant's responsibility. Monitoring reports are prepared by consultants and also by project companies.

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

Other

Please provide details.

Environmental practitioner is responsible for analysing monitoring reports and communicating monitoring results further in our organisation. Assessment of compliance with agreed requirements should be part of monitoring results. If complexities exist in assessment of compliance, discussions with monitoring consultant and project company may be needed.

### Non-compliance measures

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

Such actions need careful consideration case by case basis e.g. negotiations with project sponsors on actions to achieve compliance.

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

Other

Please provide details.

Decision maker in our organisation is responsible for requiring the project sponsor to undertake the action based on environmental practitioner's analysis about the situation and on other relevant information.

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?

Finnvera generally encourages project sponsors to make *ex post* 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?

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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?

Where can they  
be found?

Our environmental policy and description of environmental review procedure can be found in the internet; see the address below.

Please provide web  
address if relevant.

<http://www.finnvera.fi/index.cfm?id=1718>

#### 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 actively strive to exchange environmental information and conclusions related to environmental issues in co-insuring and co-financing situations by discussing with relevant financing institutions.

- b) competition.

Same answer as to the question 42 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.

Finnvera requires that it receives permission(s) from the project sponsors and/or from the company prior to publishing ex-ante environmental impact information of a category A project in order to be able to sign the guarantee agreement. The project information to be published includes name, location and description of the project.

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

The project information is released in Finnish, Swedish and English on our website.

including website address, if relevant.

<http://www.finnvera.fi/index.cfm?id=6193>

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

30 days

- 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).

Pursuant to the legislation concerning Finnvera all information shall be kept confidential. Pursuant to this bank secrecy provision Finnvera is not able to disclose any information without having received a prior consent from the respective parties.

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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.

**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.

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

The scope of the information released should cover relevant activities of the project. Disclosed material can be an EIA report, summary of such report and other kind of relevant environmental information (e.g. environmental management plan).

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

If EIA studies, EMP etc. are already available in the internet, we have provided www-links to such documents from Finnvera's www-pages. If EIA studies, EMP etc. have not been available in the internet, Finnvera has posted on its www-pages an announcement that environmental information of the project can be obtained by sending an e-mail to a certain Finnvera's e-mail address. In return to an environmental information request, relevant files are sent to the questioner. There are no strict language criteria for the information released; we have however strived to release material in English.

website address, if relevant.

<http://www.finnvera.fi/index.cfm?id=6193>

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

30 days

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

- 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.

The information that is published *ex ante* regarding a category A project will remain on our www-site for a period of five years if guarantee agreement is signed. *Ex-post* basic project and environmental information about category B projects is disclosed at least annually.

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

For category A projects: same information as referred to in the answer 44 c. For category B projects the information to be published includes normally exporter, transaction/project, buyer, buyer's country, guaranteed amount, environmental classification and basic environmental information.

- c) Who is responsible for disclosing such information.

ECA

- d) The form and language of the information released

For category A projects: same information as referred to in the answer 44 d. For category B projects, the information is published on the Finnvera www-site in Finnish, English and Swedish.

including website address, if relevant. <http://www.finnvera.fi/index.cfm?id=1720>

- e) How long the information remains publicly available.

The information remains publicly available for period of five 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.

Implementation of Finnvera's environmental policy in actual transactions may be audited by Finnvera's internal auditor. Environmental issues were included in the last internal auditor's audit in 2007.

#### 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.

The environmental advisers have gathered experience that is taken into account when revising our environmental review procedures. We have also occasionally asked feedback from our stakeholders on our environmental review procedure and practices and processed the gathered feedback.

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

We share experience with other members in work of environmental practitioners within OECD.

#### Revising procedures :

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

January 2008

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

Motivation was to take into account the new Common Approaches text from 6/2007 as well change some practical issues based on experience that we had gathered.

- 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?

Finnvera has two full-time environmental advisers. Occasionally, external environmental consultants are used.

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

2

- 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 related to the provision of environmental information to Finnvera is normally on applicant's/exporter's/sponsor's account. Cost of the environmental review is partly incorporated in the handling fee. Remaining/other costs are covered by the premium income.

### 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.

We have exchanged experience about pulp and paper sector's environmental issues with other ECAs during the last two years. These as well as other experience will be documented in the body of experience documentation.

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

Information related to environmental issues is accessible to our environmental practitioners and all underwriters in the IT-system. Environmental issues of topical projects are discussed in team meetings (held weekly or once in two weeks) with underwriters. We have organised meetings with underwriters dealing only with environmental issues when we have felt that such learning/discussion meetings have been necessary.

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

Yes

Please provide  
details.

We provide a report about environmental issues of Finnvera's export credit guarantees to the board of directors annually.

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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?

There is no formal environmental procedure for such export credits. However, if any relevant environmental information is found out in these cases, it will be considered in the application process.

#### Any Additional Comments

- 57 Please provide any additional comments.