
SURVEY

on the Environment and Officially Supported Export Credits Projects

REPORTING COUNTRY INFORMATION**KOR-KEIC-SURVEY-JUN-09**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.

KEIC has established the environmental policy and revised it according to the 2007 OECD Common Approach. We screen and review and monitor the environmental impacts of all applications with a repayment term of 2 years or more in order to contribute the sustainable development and encourage the prevention and mitigation of adverse environmental impacts of the project.

KOR-KEIC-SURVEY-JUN-09

II SCREENING AND CLASSIFICATION OF PROJECTS

Exemptions

- 2 Are all applications screened?

Information requirements

- 3 What information is required for the screening process?
Please provide details of information required.

Brief project information (size, location, sector, finance amount, etc.)
Description by the factors on environmental impacts
Types of environmental standards applied
EIA report for category A project

Responsibilities

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

Any other comments.

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

Timing

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

Scope and criteria of screening

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

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

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

Any other comments.

- b) Re-insurance as lead ECA.

Any other comments.

KOR-KEIC-SURVEY-JUN-09

- 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 questionnaire has an item to identify exports of capital goods and services to existing operations.

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 questionnaire has an item to identify exports of capital goods and services to new projects.

Other exports

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

KEIC regards such transactions as category C. However, KEIC hasn't had such experiences yet.

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.

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

Yes

Please provide details.

KEIC regards such transactions as category C. However, KEIC hasn't had such experiences yet.

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

In case that the project site is located in or near environmental sensitive areas.

Responsibilities for classification

- 15 Who is responsible for the classification of projects?

Underwriter (always)

KOR-KEIC-SURVEY-JUN-09

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.

KEIC always requires an EIA report for all Category A projects. In case of Category B projects, we conduct an environmental review based on EIA report, if not applicable, require environmental information set forth in Annex II of OECD Common Approach.

Responsibilities

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

Project Sponsor (in most cases)

- 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.

KEIC may consider the environmental impact of operational links with associated operations if they are interdependent with the project or dedicated primarily to the project. However, we do not review environmental impacts of the associated facilities apart from the main project.

- 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 principle, KEIC screens the applications based on our policy but we may consult with other ECAs or IFIs.

- b) Re-insurance as lead ECA.

Would always conduct own screening

Any other comments.

In principle, KEIC screens the applications based on our policy but we may consult with other ECAs or IFIs.

- c) Re-insurance as re-insurer.

May take account of review carried out by lead ECA

Any other comments.

KOR-KEIC-SURVEY-JUN-09**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?

Project Sponsor (in most cases)

Any other comments.

- ii) Carrying out an EIA?

Independent Consultant (in most cases)

Any other comments.

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

Project Sponsor (in most cases)

Any other comments.

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

Underwriter (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.

For Category B projects, KEIC conducts an environmental review based on EIA report, if not applicable, reviews key environmental factors with reference to environmental information set forth in Annex II of OECD Common Approach.

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 In most cases

Policy, legal and
administrative framework In most cases

Project description In most cases

Paragraph 8 (tired 1):

significant air emissions,
effluents, waste or noise In most cases

significant use of
natural resources Case-by-case

KOR-KEIC-SURVEY-JUN-09

| | | | |
|-------------------------------|--|-------------------------------|---|
| Baseline data | <input type="text" value="Case-by-case"/> | involuntary resettlement | <input type="text" value="Case-by-case"/> |
| Environmental impacts | <input type="text" value="In most cases"/> | impacts on indigenous peoples | <input type="text" value="Case-by-case"/> |
| Analysis of alternatives | <input type="text" value="Case-by-case"/> | cultural property | <input type="text" value="Case-by-case"/> |
| Environmental Management Plan | <input type="text" value="Case-by-case"/> | | |
| Consultation | <input type="text" value="Case-by-case"/> | | |

Existing operations

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

Other exports

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

Standards

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

- 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.

Please provide details.

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

KOR-KEIC-SURVEY-JUN-09

- 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

PPAH has been replaced by IFC EHS Guideline.

Public/non-sovereign

PPAH has been replaced by IFC EHS Guideline.

Corporate

PPAH has been replaced by IFC EHS Guideline.

Limited or non-recourse project finance transaction

PPAH has been replaced by IFC EHS Guideline.

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.

b) International Finance Corporation (IFC) Performance Standards.

Please provide details.

c) Regional Development Bank standards.

Please provide details.

KOR-KEIC-SURVEY-JUN-09

- 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):

- a) The Pollution Prevention and Abatement Handbook.

Any other comments.

Sovereign

PPAH has been replaced by IFC EHS Guideline.

Public/non-sovereign

PPAH has been replaced by IFC EHS Guideline.

Corporate

PPAH has been replaced by IFC EHS Guideline.

Limited or non-recourse project finance transaction

PPAH has been replaced by IFC EHS Guideline.

- 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.

KEIC may apply RDB standards in addition to IFC Performance Standards or WB Safeguard Policy in case of co-financing with RDB.

- 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 case sectors or issues are not covered by WB standards, we use sector specific or issue specific standards.

KOR-KEIC-SURVEY-JUN-09

- 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.

If the project does not meet the applicable standards, we consult with related parties in order to find out justification for non-compliance and mitigate the environmental adverse effects.

Site visits

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

KEIC usually carry out site visits for the Category A projects to make further investigation into environmental impacts.

KOR-KEIC-SURVEY-JUN-09

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.

Environmental clauses such as covenants are incorporated in the Agreement between borrower/sponsor and KEIC.

Please provide examples of any environmental covenants used.

Such as compliance of environmental standards, notification of environmental adverse impacts, periodic monitoring report, site visit.

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 environmental adverse impacts are severe in spite of any mitigation measures and ESMP, we consider denying support the project.

Please provide any examples of experience.

No experience so far

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.

KEIC requests regular monitoring reports by borrower/sponsor and/or independent consultant and review the adequate implementation of ESMP.

Monitoring frequency/period:

Usually semi-annual until repayment period

Content:

ESMP implementation

Reporting method:

Reports conducted by borrower/sponsor and/or independent consultant

KOR-KEIC-SURVEY-JUN-09

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

Other

Please provide details.

Borrower/sponsor and/or ECA consultant

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

Underwriter (always)

Non-compliance measures

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

If non compliance becomes an event of default and if not cured within remedy period, acceleration will take effect.

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?

For Category A projects, we usually encourage borrowers/sponsors to disclose ex post monitoring report and relevant environmental information to the public.

- 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?

KOR-KEIC-SURVEY-JUN-09

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?

KEIC internal guideline and our web site (now upgrading)

Please provide
web address if
relevant.

www.keic.or.kr

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.

In principle, KEIC screens and reviews the applications based on our policy but we may exchange information and consult with other ECAs or IFIs .

- b) competition.

No experience so far

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, location, brief description of project and etc.

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

Korean and English

including website address, if relevant.

www.keic.or.kr

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

30 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).

No legal constraints. However, if a borrower/sponsor do not consent to disclosure of information for the protection of business confidentiality, such information may be excluded according to Article 20 of the Recommendation.

KOR-KEIC-SURVEY-JUN-09

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

No experience 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

- 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 information and a summary/full EIA report.

- 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.

www.keic.or.kr

KOR-KEIC-SURVEY-JUN-09

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

30 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).

No legal constraints. However, if a borrower/sponsor do not consent to disclose of information for the protection of business confidentiality, such information may be excluded.

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

No experience 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.

For Category B projects, within 15 days after final commitment

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

Same as Category A project

- 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.

www.keic.or.kr

- e) How long the information remains publicly available.

Usually 1 year

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

KOR-KEIC-SURVEY-JUN-09

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.

Auditing department and Underwriting evaluation board review to ensure compliance with our environmental guideline.

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.

Case by case

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

KEIC participate in the ECG and environmental practitioner's meeting periodically and exchange experience with other ECAs.

Revising procedures :

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

March 2008

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

For the compliance with the revised OECD Common Approach in 2007.

- 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?

KEIC has an environmental practitioner and if needed, we may hire a consultant.

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

1

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

Cost-sharing

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

Project sponsors are responsible for the cost of EIA report and site visit.

KOR-KEIC-SURVEY-JUN-09

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.

KEIC stores knowledge on environmental issues in our Intranet for which underwriter can share the past experience. In case of any environmental outstanding issues, underwriters and environmental practitioners can resort to the past data and have a consultation.

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

KEIC stores knowledge on environmental issues in our Intranet for which underwriter can share the past experience. In case of any environmental outstanding issues, underwriters and environmental practitioners can resort to the past data and have a consultation.

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

No

KOR-KEIC-SURVEY-JUN-09

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?

KEIC does not review the transactions with repayment term of less than two years.

Any Additional Comments

- 57 Please provide any additional comments.