

SURVEY

on the Environment and Officially Supported Export Credits Projects

REPORTING COUNTRY INFORMATION

HUN-EXIMBANK-SURVEY-NOV-08

Reporting Country

Reporting Institution

Submission Date

Version number

I GENERAL PRINCIPLES

Objectives

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

Eximbank has its internal Environmental Policy for execution of the Recommendation: enhanced decision making process, financial risk assessment of application etc. According to the Government decree regulating Eximbank's official export credit activity it is also required to adopt the recommendation.

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II SCREENING AND CLASSIFICATION OF PROJECTS

Exemptions

2 Are all applications screened?

Yes

Information requirements

3 What information is required for the screening process?

Separate environmental questionnaire

Please provide details of information required.

information about the applicant (buyer, exporter), role of exporter in the contract, credit terms, project size, sector, site, existing or new project, environmental documentation and environmental certificate if any,

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?

Other

Please provide details.

Ad hoc in house team, coordination with MEHIB, external expert and relevant ministry may be involved in the procedure if needed.

Timing

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

at time of application

Scope and criteria of screening

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

type of exported goods, location, lifetime of the original construction, operational linkage of the export with the project

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

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

May take account of screening by other ECAs or IFIs

Any other comments.

we must ensure that it is in line with the Common Approaches.

b) Re-insurance as lead ECA.

Please select

Any other comments.

N.A.

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c) Re-insurance as re-insurer.

Please select

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]?

Questionnaire, follow up questions on case by case base

New projects

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

see q.9.

Other exports

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

with prescreening questions

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?

No

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

in case of sensitivity

Responsibilities for classification

15 Who is responsible for the classification of projects?

Other

Please provide details.

see q 5.

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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 Cat A: EIA report as per Annex II, other studies, reports For Cat B: case by base examination, documentation informing environmental impacts and preventions etc. and EIA if necessary

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.

We cooperate with MEHIB, External expert or competent ministry on case by case base

Scope and criteria

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

based on the information provided

- 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.

May take account of review carried out by other ECAs, IFIs or Development Agency

Any other comments.

We must ensure that Common Approaches is applied

- b) Re-insurance as lead ECA.

Please select

Any other comments.

N.A

- c) Re-insurance as re-insurer.

Please select

Any other comments.

N.A.

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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?

No

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

Applicant (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?

Applicant (in most cases)

Any other comments.

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

Other

Please provide details.

External expert is involved. We cooperate with MEHIB. We may also cooperate with the relevant authority on a case-by-case basis depending on the project.

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.

case by case base, EIA as per Annex II, other documentation, preliminary study, tender documentation may be taken into account based on the responses from the questionnaire

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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?

before the final commitment we review existing operation on the basis of the information provided by the client. The scope: sector, location, environmental aspects etc.

Other exports

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

No

Standards

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

confirmation is required from the borrower/buyer

- 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.

For private sector limited or non-recourse project finance cases (always)

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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.

which is more stringent, standards for sectors or any specificity that are not indicated by the WB

- 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

parts of the PPAH, if applicable at the time of adoption

Public/non-sovereign

parts of the PPAH, if applicable at the time of adoption

Corporate

Limited or non-recourse project finance transaction

- b) IFC Environmental, Health and Safety Guidelines.

Any other comments.

Sovereign

Public/non-sovereign

Corporate

parts of the EHS, if applicable at the time of adoption

Limited or non-recourse project finance transaction

parts of the EHS, if applicable at the time of adoption

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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 (always)

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.

which is more stringent, standards for sectors or any specificity that are not indicated by the WB

- 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 In most cases

parts of the PPAH, if applicable at the time of adoption

Public/non-sovereign In most cases

parts of the PPAH, if applicable at the time of adoption

Corporate Rarely

Limited or non-recourse
project finance transaction Rarely

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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.

- 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.

Site visits

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

General Business Conditions being legally binding part of the loan agreement refers to the provision of the environmental conditions set forth in the relevant national regulation

Please provide examples of any environmental covenants used.

no experience

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 impacts are shown and the benchmarks are not met the relevant standards. Support has to be denied if the project has several negative env. impact of the restoration, mitigation. if compensation measures fail to balance the adverse env impact.

Please provide any examples of experience.

no 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.

where support is provided with certain conditions we require feedback on compliance in form of monitoring report or other documents. In case of non-compliance we take actions on case by case basis depending on the circumstances.

Monitoring frequency/period:

Case-by-case

Content:

Case-by-case

Reporting method:

Case-by-case

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

ECA Consultant

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

ECA Consultant

Non-compliance measures

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

upon ECA consultant advice internal decision making body may decide on further steps to take appropriate measures

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

ECA Consultant

Please provide any examples of experience.

no 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?

in line with national law, project sponsors are generally advised to make ex post monitoring reports, relevant info publicly available, and always required in sensitive 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?

we insist on public disclosure ex post on documents, we may disclose such information. via web site

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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?

On web site. The relevant page is under correction and will be available soon.

Please provide web address if relevant.

www.eximbank.hu

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 must share information on the review of project classification or standards applied. we collect information in the questionnaire, to reach common position

- b) competition.

we must share information on standards or other relevant information

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.

information according to the template

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

Hungarian/English

including website address, if relevant.

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

30 calendar 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).

in principle for exeptional reason

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- 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;

N.A.

- ii) how this is monitored;

N.A.

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

N.A.

- iv) please provide any examples of experience.

N.A.

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

project name, location, description, other

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

Hungarian/English

website address, if relevant.

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

30 calendar days

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

in principle for exeptional case

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

no

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

no

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

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

template: project name, location, description, details of access other information

- c) Who is responsible for disclosing such information.

ECA

- d) The form and language of the information released

project list, Hungarian/English

including website address, if relevant.

- e) How long the information remains publicly available.

no limitation

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

no

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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.

The "Active Operation" Directorate reviews the internal procedures and reports to the internal decision making committee.

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.

subject to annual examination

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

report to ECG on semi annually, ex post, sharing information with other ECA on ad hoc base

Revising procedures :

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

September 2007

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

The new common approach entered into force in 12 June 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?

translation cost

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

0

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

1

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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?

translation cost, site visit cost

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.

ECA sace studies

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

we forward documents to external experts when necessary

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

Yes

Please provide
details.

see q 47/a

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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?

case by case base, in case of sensitive site and sector we tend to consider environmental risk and follow Common Approaches.

Any Additional Comments

- 57 Please provide any additional comments.

no