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## SURVEY

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

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**REPORTING COUNTRY INFORMATION***FRA-COFACE-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.

Coface has established:

- A dedicated unit comprising (2007) two Environmental specialists,
- A dedicated database.
- Specific procedures, questionnaires and decision process (involving guardian authority),
- External reporting and ex-ante and ex-post transparency procedures.
- In-house sector specific guidelines.
- Internet website : [http://www.coface.fr/dmt/rubf\\_env/indexf.htm](http://www.coface.fr/dmt/rubf_env/indexf.htm) .

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### 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.

. Application form (financial information).  
. Separate environmental questionnaire 1 (general description, existing operation or not, sector, amount, sensitive area or not) : [http://www.coface.fr/dmt/rubf\\_env/indexf.htm](http://www.coface.fr/dmt/rubf_env/indexf.htm) .  
. Additional information (asked by phone/email) if needed to identify "material change"

#### 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.

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c) Re-insurance as re-insurer.

Would rely on screening by lead ECA

Any other comments.

We would rely on screening by lead ECA if it is an OECD-ECA. If not, we would conduct our own screening.

### **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 environmental questionnaire 1 includes a specific question in order to identify exports of capital goods and services to existing operations. We often ask for more information.

### **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 environmental questionnaire 1 includes a specific question in order to identify exports of capital goods and services to existing operations. We often ask for more information.

### **Other exports**

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

cf. comments under question 5.

### **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.

Yes if there is material change (according to the 5.1 of the OECD Recommendation) or if there are significant environmental or social impacts.

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

Yes

Please provide details.

cf. comments under question 5.

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

If the project is located in a sensitive area, or if significant environmental or social impacts are identified.

### **Responsibilities for classification**

15 Who is responsible for the classification of projects?

Environmental Practitioner (always)

Within Coface, two Environmental Practitioners are in charge of the classification step.

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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.

In Separate environmental questionnaire 2 ([http://www.coface.fr/dmt/rubf\\_env/indexf.htm](http://www.coface.fr/dmt/rubf_env/indexf.htm)), the exporter must provide different types of information necessary for the review process :

- how the environmental factors are taken into account in the project design and implementation (ESIA, ESMP...)
- atmospheric emissions
- liquid effluents
- ambient noise
- production of hazardous and non hazardous solid wastes
- impact on landscape, ground and cultural heritage
- destruction or alteration of flora and fauna
- positive environmental impact
- social and human rights impacts

Following the reception of this standard information, the Environmental Practitioner works on a case-by-case basis to make an assessment that fits with the project. ESIA and ESMP will be required for all category A projects, and for category B projects on a case-by-case basis.

#### 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)

Two Environmental Practitioners are in charge of environmental and social review and assessment of the projects. In some cases, external consultants expertise could be used by Environmental Practitioners.

#### Scope and criteria

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

Where appropriate, associated operations are basically considered in the same way as the project. If information is not available or not with the same degree of detail, flexibility can be given according to expected E&S impacts induced by the associated operations, and the available "leverage".

- 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.

Coface always performs its own analysis.

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b) Re-insurance as lead ECA.

Would always conduct own screening

Any other comments.

We would share our analysis with others ECAs.

c) Re-insurance as re-insurer.

Would rely on review carried out by lead ECA

Any other comments.

We would rely on analysis by lead ECA if it is an OECD-ECA. If not, we would conduct our own analysis.

### **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.

If not, any stakeholder ready to do so.

- 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?

Environmental Practitioner (always)

**FRA-COFACE-SURVEY-MAR-08****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.

Following information are required, depending on the type of project :

- . how the environmental factors are taken into account in the project design and implementation (ESIA, ESMP...)
- . atmospheric emissions
- . liquid effluents
- . ambient noise
- . production of hazardous and non hazardous solid wastes
- . impact on landscape, ground and cultural heritage
- . destruction or alteration of flora and fauna
- . positive environmental impact
- . social and human rights impacts

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	<input type="text" value="In most cases"/>
Policy, legal and administrative framework	<input type="text" value="In most cases"/>
Project description	<input type="text" value="In most cases"/>
Baseline data	<input type="text" value="In most cases"/>
Environmental impacts	<input type="text" value="In most cases"/>
Analysis of alternatives	<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"/>

Paragraph 8 (tired 1):

significant air emissions, effluents, waste or noise	<input type="text" value="In most cases"/>
significant use of natural resources	<input type="text" value="Case-by-case"/>
involuntary resettlement	<input type="text" value="In most cases"/>
impacts on indigenous peoples	<input type="text" value="In most cases"/>
cultural property	<input type="text" value="In most cases"/>

**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?

**FRA-COFACE-SURVEY-MAR-08****Standards**

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

Copy of local environmental permits required. Also, EIA normally covers this issue.

- 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.

Other than where IFC/RDB standards apply

- 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.

UE  
BREF  
World Commission on Dams

- 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  In most cases

Public/non-sovereign  In most cases

Corporate  In most cases

Limited or non-recourse  
project finance transaction  Rarely

- b) IFC Environmental, Health and Safety Guidelines.

Any other comments.

Sovereign  In most cases

Public/non-sovereign  In most cases

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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.

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  Public/non-sovereign  Corporate  Limited or non-recourse  
project finance transaction 

b) IFC Environmental, Health and Safety Guidelines.

Any other comments.

Sovereign

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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.

On top of what is described above, we usually benchmark with pertinent sector specific guidelines, typically like BREFs.

- 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.

For instance, Coface uses the World Commission on Dams standards (WCD) for large dams. We might also use UE standards and BREFs for assessment of sector specific projects.

- 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.

Confronted to difficulties in the implementation of the project, Coface would first precisely assess the extent of the problems, try to propose adequate remedies and strive to help the stakeholders in the project meet the required standards.

### **Site visits**

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

. If the project induces complex environmental and social impacts, typically category A.  
. In all cases of limited or non-recourse project finance transaction classified in Category A.

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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.

. Some conditions can be incorporated prior to the decision, in the offer of guarantee; in order to benefit from the Coface's support, the exporter has to fulfill these conditions.  
. Some conditions can be incorporated after the decision, in financial agreements, in policy, or in construction contracts. At any time of the payback period, an Event of Default can be declared if they are not fulfilled, which allows Coface to withdraw its support out of the project.

Please provide examples of any environmental covenants used.

Usually, the conditions prior to the decision are related to general compliance with international standards or with transparency procedure.  
The conditions after the decision can be related to the respect of standards, to specific impacts (emissions limits, management of resettlement issues...) and to E&S assessment procedure (validation of operation ESMP, validation of changes, reporting...)

#### 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 project does not, before the decision, and will probably not, after the decision, comply with international standards.  
. If the exporter or the sponsor does not allow to incorporate covenants satisfactory to Coface.

Please provide any examples of experience.

. Non compliance with WB guidelines : in one dam project, in East Asia.  
. Covenants not satisfactory to Coface : sponsor not allowing Coface to review or validate the EMPs and without reference to international standards, in Middle East.

#### 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.

As appropriate, 6 monthly or annual reporting done by the sponsor or independant consultants is required. Additional monitoring can be performed by environmental practitioner during site visit.

Monitoring frequency/period:

6 monthly or annual reports provided to environmental practitioner

Content:

Reporting covers E&S issues raised by the ESIA, compliance with standards, project advancement, and any notable event (accident, pollution release...). Content is normally presented in ESMP.

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Reporting method:

As described in the ESMP

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

Environmental Practitioner (always)

and sometimes ECA consultant.

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

Environmental Practitioner (always)

### **Non-compliance measures**

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

1 Objection letter to the company  
2 Advise on how to address the non compliance  
3 Event of Default and withdrawal if non-compliance issues cannot be solved

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

Underwriter and Environmental Practitioner (always jointly)

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?

Coface encourages project sponsors to disclose ex-post monitoring reports.

- 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?

To date, no such requirement was imposed on project sponsors.

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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?

Coface's website

Please provide web  
address if relevant.

[http://www.coface.fr/dmt/rubf\\_env/indexf.htm](http://www.coface.fr/dmt/rubf_env/indexf.htm)

#### 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.

Coface engages in information exchange on a case-by-case basis. There is no formal procedure.

b) competition.

There is no formal procedure.

#### 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.

Name of the project, sector, location, information disclosed (ESIA, plus sometimes ESMP), access to information, posting date.

b) The form and language of the information released.

Ex-ante disclosure table. French and English

including website address, if relevant.

[http://www.coface.fr/dmt/\\_docs/transparence\\_ex-ante.pdf](http://www.coface.fr/dmt/_docs/transparence_ex-ante.pdf)

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).

No.

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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

- 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.

ESIA, ESMP or other environmental and social documents.

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

French and English

website address, if relevant.

[http://www.coface.fr/dmt/\\_docs/transparence\\_ex-ante.pdf](http://www.coface.fr/dmt/_docs/transparence_ex-ante.pdf)

- 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).

No.

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

To date, such circumstances did not appear.

- 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.

Quarterly

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

Category A and B projects : location, exporting company, short description of the project, amount, summary of the E&S assessment.

Category A projects : Name of the project, sector, location, date of cover has been issued, summary of the E&S assessment.

- c) Who is responsible for disclosing such information.

ECA

- d) The form and language of the information released

French

including website address, if relevant.

[http://www.coface.fr/dmt/rubc\\_asscrexp/ace07\\_cont.htm](http://www.coface.fr/dmt/rubc_asscrexp/ace07_cont.htm) and [http://www.coface.fr/dmt/\\_docs/transparence\\_ex-antecatA.pdf](http://www.coface.fr/dmt/_docs/transparence_ex-antecatA.pdf)

- e) How long the information remains publicly available.

Continuously, until further notice.

- 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.

Validation and discussions in the interministerial Committee in charge of officially supported export credit, as far as high impact projects are concerned.

#### 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.

To date, Coface is subject to a variety of assessments and reviews by guardian authorities. As far as environment is concerned, no specific procedure is in place.

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

Training, workshops, case by case exchange of information,

#### Revising procedures :

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

June 2006

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

New sector specific guidelines

- 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?

Two practitionners, specific budget for training, site visits, use of consultancy...

- 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 can be shared on a case by case basis with sponsors, exporters, banks.

### 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.

. A database to store quantitative and qualitative information on past experience.  
. All projects documents are archived.  
. Thematic studies.

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

E-mails, trainings, meetings.

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

Yes

Please provide  
details.

Mainly concerning follow-up of projects and annual reporting of our institution.

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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?

Coface assesses projects with repayment term less than two years, on a case-by-case basis, when they induce significant environmental and social impacts, although these projects are out of the scope of the OECD Recommendation.

#### Any Additional Comments

- 57 Please provide any additional comments.