

Environmental and Social Survey

REPORTING COUNTRY INFORMATION

ESS-KOR-KSURE (30-03-2015) version 2

Reporting Country

Korea

Reporting Institution

KSURE

Submission Date

30 March 2015

Version number

2

I GENERAL PRINCIPLES

Objectives

1. Please describe the policies and procedures that you have established to support the objectives of the Recommendation. Please include details about your organisational structure, the operational process and supporting tools.

K-sure has established the environmental policy and revised it according to the 2012 Common Approaches (Dec 2012). We screen, classify, review and monitor the environmental and social impacts of all application with a repayment term of 2 years or more in order to contribute to sustainable development and encourage the prevention and mitigation of adverse environmental and social impacts of the project.

2. Please provide a link to the environmental and social due diligence page of your institution's website.

<https://www.ksure.or.kr/english/jsp/customer/CstmrEnvEngInq.jsp>

II SCREENING

Exemptions

3. Are all applications (apart from those related to military equipment and agricultural commodities) screened?

Yes

If no, please provide details of any exemptions from screening, including:

(a) value of any threshold used:

(b) currency:

(c) details of any products exempt from screening:

(d) details of any other exemptions from screening:

Information requirements

4. What information is required for the screening process?

Application form

☒

Separate environmental/social questionnaire

☒

Sector / issue-specific questionnaires (please specify)

☐

Other (please specify)

☒

If available, ESIA report

Responsibility for screening

5. Who is responsible for screening applications?

Underwriter

☒

Practitioner

☐

ECA Consultant

☐

Other (please specify)

☐

Environmental and Social Survey

REPORTING COUNTRY INFORMATION

ESS-KOR-KSURE (30-03-2015) version 2

Reporting Country

Submission Date

Reporting Institution

Version number

Screening policies

6. Do you have policies and procedures in place to identify exports of capital goods and services destined to:

(a) Projects or to existing operations as defined in the Recommendation?

Yes

If yes, please provide details:

K-sure screens by using E&S questionnaire, ESIA reports (if available), doing independent research (such as via internet), or having direct inquiry to project sponsors.

(b) Identified locations that are in or near sensitive areas?

Yes

If yes, please provide details:

Location in or near sensitive areas is included in the application form or E&S questionnaire.

Classification system

7. Do you classify applications described in paragraph 8 of the Recommendation?

Yes

If yes, how do you classify such applications?

Using "A, B, C" Categories

K-sure classifies application by using E&S questionnaire, ESIA reports (if available), doing independent research (such as via internet), or having direct inquiry to project sponsors.

8. Do you classify applications described in paragraph 9 of the Recommendation?

Yes

If yes, how do you classify such applications?

Using "A, B, C" Categories

K-sure reagrdg such applications as Category C.

III CLASSIFICATION

9. Do you have policies and procedures in place to identify the potential positive and negative environmental and social impacts relating to the applications to be classified?

Yes

If yes, please provide details, including any specific tools employed:

K-sure identify the potential environmental and social impacts, if available, by reviewing ESIA report, doing independent research, or by asking sponsors/exporters.

Responsibility for classification

10. Who is responsible for the classification of applications?

Underwriter

☐

Practitioner

☒

ECA Consultant

☐

Other (please specify)

☐

IV ENVIRONMENTAL AND SOCIAL REVIEW

Scope and criteria

11. (a) Do you have policies and procedures in place for reviewing projects when supporting exports forming only a minor part of a project [i.e. co-insuring / financing with another Export Credit Agency (ECA), Multilateral Financial Institution (MFI) or development agency] or in re-insurance situations?

Yes

If yes, please provide details, for example:

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

(b) Any other comments:

Environmental and Social Survey

REPORTING COUNTRY INFORMATION

ESS-KOR-KSURE (30-03-2015) version 2

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12. Do you have policies and procedures in place for assessing, where appropriate, the potential environmental and/or social impacts of any associated facilities? **Yes**

If yes, please provide details:

Environmental and/or social impacts of associated facilities are covered by K-sure policies.

13. Do you have policies and procedures in place for considering, where appropriate, any statements or reports from your National Contact Point (NCP)? **Yes**

If yes, please provide details:

K-sure checks public reports from NCP and establish a contact with our NCP for further information.

Category A projects

14. Under paragraph 17 of the Recommendation, Members should require an Environmental and Social Impact Assessment (ESIA) 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 ESIA has not been undertaken or for which either an ESIA report is not available for review or does not adequately address all the issues set out in Annex II of the Recommendation? **No**

If yes, please provide details, including the type of information that you would require in the absence of a (complete) ESIA:

Category B projects

15. The scope of a review for Category B projects may vary from project to project. Please provide details of your general approach to reviewing Category B projects, including the type of information required under your policies and procedures.

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

Responsibility for review

16. Who is responsible for undertaking the environmental and social review?

Underwriter	<input type="checkbox"/>	Practitioner	<input checked="" type="checkbox"/>
ECA Consultant	<input type="checkbox"/>	Other (please specify)	<input type="checkbox"/>

Standards for benchmarking projects

17. How do you seek assurance that a project is compliant with host country standards?

K-sure refers to an ESIA report reviewed by consultant, if not applicable, holds a consultation with government authority in charge of environmental standards and/or requires any certificates of compliance.

18. Paragraphs 20-21 of the Recommendation set out the general circumstances in which various international standards should be used for the purposes of evaluating the potential environmental and social impacts of projects. Please provide details of when, in practice, you would use the following international standards:

(a) World Bank Safeguard Policies.

Other (please specify)

(b) International Finance Corporation (IFC) Performance Standards.

Other (please specify)

(c) Multilateral Financial Institution (MFI) standards.

Where such institutions are supporting a project

Environmental and Social Survey

REPORTING COUNTRY INFORMATION

ESS-KOR-KSURE (30-03-2015) version 2

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Reporting Institution

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30 March 2015

Version number

2

(d) Any other comments:

IFC Performance Standards are normally used and WB SGPs are rarely used

19. Do you have policies and procedures in place for dealing with cases where projects do not meet the international standards or guidelines against which they have been benchmarked?

Yes

If yes, please provide details:

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. And gaps in the fulfillment of international standards should be identified.

Site visits

20. Please specify the circumstances in which you might carry out a site visit as part of the review process.

(a) All projects

☐

(f) Project involves particularly complex/unusual potential impacts

☒

(b) Category A projects

☒

(g) Project located in or near sensitive area

☐

(c) Category A project finance transactions only

☐

(h) Project generating significant stakeholder interest

☐

(d) Category B projects

☐

(i) To verify project impact information provided

☐

(e) Project finance transactions

☐

(j) Other (please specify)

☐

V EVALUATION, DECISION AND MONITORING

Providing official support

21. Who is responsible for deciding whether to decline or provide official support and, in the event that support is to be provided, whether this should involve conditions to fulfil?

Underwriter

☒

Practitioner

☐

Senior ECA staff

☒

ECA committee / board

☒

Guardian Authority(ies)

☐

Other (please specify)

☐

22. (a) Under what circumstances would you consider denying support on account of the environmental and social impacts of a project? Please provide details.

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

(b) Please provide any examples of experience.

No experiences so far

Conditions to official support

23. (a) How are environmental and/or social conditions to be fulfilled prior to, or after, the final commitment for official support incorporated into documentation? Please provide details.

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

(b) Please provide examples of any environmental and/or social conditions used.

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

Environmental and Social Survey

REPORTING COUNTRY INFORMATION

ESS-KOR-KSURE (30-03-2015) version 2

Reporting Country

Korea

Reporting Institution

KSURE

Submission Date

30 March 2015

Version number

2

Monitoring

24. Do you have policies and procedures in place for monitoring, as appropriate, the implementation of a project to ensure compliance with the conditions of your official support?

Yes

If yes, please provide details:

(a) Types of projects:

(i) All projects

☐

(vi) Project involves particularly complex/unusual potential impacts

☐

(ii) Category A projects

☒

(vii) Project located in or near sensitive area

☐

(iii) Category A project finance transactions only

☐

(viii) Project likely to generate significant stakeholder interest

☐

(iv) Category B projects

☐

(ix) To verify how impacts are being addressed

☐

(v) Project finance transactions

☐

(x) Where support is provided subject to certain conditions

☒

(xi) Any other (please specify)

☐

(b) Monitoring frequency/period:

(i) during construction:

other (please specify)

(ii) during operation:

other (please specify)

(c) Content:

Quantitative data related to emissions, and a comparison with the agreed limits, such as local permits or international standards. Implementation of, and compliance with, ESMP or ESAP. Circumstances of potential environmental and/or social impacts.

(d) Any other comments:

All Category A project sponsors have to give monitoring reports to K-sure at regular intervals. With regard to the frequency of monitoring, it's carried out on a case-by-case basis, varying from a quarterly to an annual basis.

25. Who is responsible for undertaking monitoring of projects, including, if appropriate, making site visits, reviewing monitoring reports, deciding on compliance, etc?

Underwriter

☐

Practitioner

☒

ECA Consultant

☒

Other (please specify):

☐

Non-compliance measures

26. (a) 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.

(b) Please provide any examples of experience.

No experience so far

Environmental and Social Survey

REPORTING COUNTRY INFORMATION

ESS-KOR-KSURE (30-03-2015) version 2

Reporting Country Korea

Submission Date 30 March 2015

Reporting Institution KSURE

Version number 2

Disclosure of monitoring reports

27. (a) In what circumstances do you encourage project sponsors to make *ex post* monitoring reports and related information publicly available?

- | | | | |
|--|-------------------------------------|--|--------------------------|
| (i) All projects | <input type="checkbox"/> | (vi) Project involves particularly complex/unusual potential impacts | <input type="checkbox"/> |
| (ii) Category A projects | <input checked="" type="checkbox"/> | (vii) Project located in or near sensitive area | <input type="checkbox"/> |
| (iii) Category A project finance transactions only | <input type="checkbox"/> | (viii) Project likely to generate significant stakeholder interest | <input type="checkbox"/> |
| (iv) Category B projects | <input type="checkbox"/> | (ix) Where project not in compliance with support | <input type="checkbox"/> |
| (v) Project finance transactions | <input type="checkbox"/> | (x) None | <input type="checkbox"/> |
| (xi) Any other (please specify) | <input type="checkbox"/> | | |

(b) 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?

- | | | | |
|--|--------------------------|--|-------------------------------------|
| (i) All projects | <input type="checkbox"/> | (vi) Project involves particularly complex/unusual potential impacts | <input type="checkbox"/> |
| (ii) Category A projects | <input type="checkbox"/> | (vii) Project located in or near sensitive area | <input type="checkbox"/> |
| (iii) Category A project finance transactions only | <input type="checkbox"/> | (viii) Project likely to generate significant stakeholder interest | <input type="checkbox"/> |
| (iv) Category B projects | <input type="checkbox"/> | (ix) Where project not in compliance with support | <input type="checkbox"/> |
| (v) Project finance transactions | <input type="checkbox"/> | (x) None | <input checked="" type="checkbox"/> |
| (xi) Any other (please specify) | <input type="checkbox"/> | | |

VI EXCHANGE AND DISCLOSURE OF INFORMATION

Environmental and social procedural guidance

28. Have you published national ECA environmental and other related policy statements or principles and procedural guidance? Yes

Exchanging information

29. Do you have policies and procedures in place for exchanging information with other ECAs and MFIs? Yes
If yes, please provide details:

(a) co-insuring/co-financing situations:

- | | | | |
|--|-------------------------------------|--|-------------------------------------|
| Ad hoc informal exchanges (email, telephone, etc.) | <input checked="" type="checkbox"/> | Ad hoc bilateral / multilateral meetings | <input checked="" type="checkbox"/> |
| Practitioners' events | <input checked="" type="checkbox"/> | Other (please specify) | <input type="checkbox"/> |

(b) competitive situations:

- | | | | |
|--|-------------------------------------|--|-------------------------------------|
| Ad hoc informal exchanges (email, telephone, etc.) | <input checked="" type="checkbox"/> | Ad hoc bilateral / multilateral meetings | <input checked="" type="checkbox"/> |
| Practitioners' events | <input checked="" type="checkbox"/> | Other (please specify) | <input type="checkbox"/> |

Environmental and Social Survey

REPORTING COUNTRY INFORMATION

ESS-KOR-KSURE (30-03-2015) version 2

Reporting Country

Submission Date

Reporting Institution

Version number

Ex ante disclosure of project information

30. Please provide details of your policies and procedures 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	<input checked="" type="checkbox"/>	Project location	<input checked="" type="checkbox"/>
Description of exported goods/services and of the project	<input checked="" type="checkbox"/>	Details of where additional information may be obtained	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/>		

(b) The language of the information released:

ECA language	<input type="checkbox"/>	English	<input checked="" type="checkbox"/>
Project language	<input type="checkbox"/>	Other (please specify)	<input type="checkbox"/>

(c) Method of disclosure:

ECA website (please provide link below)	<input checked="" type="checkbox"/>	Other (please specify)	<input type="checkbox"/>
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<https://www.ksure.or.kr/english/jsp/customer/CstmrEnvEnglnq.jsp>

(d) The minimum number of days the information should be made available prior to commitment: days

(e) Details of any circumstances in which project information relating to Category A projects is not disclosed prior to commitment:

no experience so far

Ex ante disclosure of environmental and social impact information

31. Please provide details of your policies and procedures for requiring that environmental and social impact information on Category A projects be made publicly available before a final commitment to grant official support, including

(a) Scope and content of information that should be released.

ESIA report or summary thereof

(b) Language of the information released:

ECA language	<input type="checkbox"/>	English	<input checked="" type="checkbox"/>
Project language	<input type="checkbox"/>	Other (please specify)	<input type="checkbox"/>

(c) Method of disclosure:

Disclosure of documents by ECA	<input checked="" type="checkbox"/>	Via link on ECA website to additional information	<input checked="" type="checkbox"/>
Other (please specify)	<input type="checkbox"/>		

(d) Minimum number of days the information should be made available prior to commitment: days

(e) Details of any circumstances in which environmental and social impact information relating to Category A projects is not disclosed prior to commitment.

no experience so far

Environmental and Social Survey

REPORTING COUNTRY INFORMATION

ESS-KOR-KSURE (30-03-2015) version 2

Reporting Country Korea

Submission Date 30 March 2015

Reporting Institution KSURE

Version number 2

Ex post disclosure

32. Please provide details of your policies and procedures 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) Scope and content of information released:

(i) Project name	<input checked="" type="checkbox"/>	(x) Project location	<input checked="" type="checkbox"/>
(ii) Description of exported goods/services and of the project	<input checked="" type="checkbox"/>	(xi) Name of exporter	<input type="checkbox"/>
(iii) Name of buyer / project sponsor	<input type="checkbox"/>	(xii) Type of support	<input type="checkbox"/>
(iv) Repayment term	<input type="checkbox"/>	(xiii) Project credit volume	<input type="checkbox"/>
(v) Commitment date	<input type="checkbox"/>	(xiv) Category (A or B)	<input checked="" type="checkbox"/>
(vi) Reason for classification	<input checked="" type="checkbox"/>	(xv) Standards applied to the project	<input checked="" type="checkbox"/>
(vii) Key environmental and social factors / potential impacts	<input checked="" type="checkbox"/>	(xvi) Details of any conditions (including monitoring) applied	<input type="checkbox"/>
(viii) On-going monitoring reports	<input type="checkbox"/>	(xvii) GHG emissions of projects	<input type="checkbox"/>
(ix) Details of where additional information may be obtained	<input type="checkbox"/>	(xviii) Other (please specify)	<input type="checkbox"/>

(b) Language of the information released:

ECA language	<input type="checkbox"/>	English	<input checked="" type="checkbox"/>
Project language	<input type="checkbox"/>	Other (please specify)	<input type="checkbox"/>

(c) Method of disclosure:

ECA website (please provide link below)	<input checked="" type="checkbox"/>	Other (please specify)	<input type="checkbox"/>
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www.ksure.or.kr

(d) How often *ex post* information on projects classified in Category A and Category B is made publicly available:

on-going basis

(e) How long the information remains in the public domain:

indefinitely

(f) Details of any circumstances in which information on Category A and Category B projects is not disclosed after a final commitment is made:

33. Do you report and/or disclose publicly information on supported projects that do not meet the relevant aspects of the international standards against which they have been benchmarked?

Yes

If yes, please provide details:

Reported to the Working Group on Export Credits and Credit Guarantees (ECG)	<input checked="" type="checkbox"/>	Disclosed publicly on ECA website	<input type="checkbox"/>
Disclosed publicly on Guardian Authority's website	<input type="checkbox"/>	Other (please specify)	<input type="checkbox"/>

no experience so far

Environmental and Social Survey

REPORTING COUNTRY INFORMATION

ESS-KOR-KSURE (30-03-2015) version 2

Reporting Country

Korea

Reporting Institution

KSURE

Submission Date

30 March 2015

Version number

2

VII REPORTING AND MONITORING OF THE RECOMMENDATION

Accountability of your guidelines

34. Do you have appropriate measures and mechanisms in place to ensure compliance with your policies and procedures?

Yes

If yes, please provide details, including (multiple answers may apply):

(i) ECA committee / board approvals

☒

(v) Guardian Authority(ies) approvals

☐

(ii) Internal audits

☒

(vi) Assurance provided by external parties

☐

(iii) Compliance Officer

☐

(vii) Complaint procedures

☐

(iv) Disclosure and reporting practices

☐

(viii) Other (please specify)

☐

Monitoring and evaluation

35. Do you have any policies and procedures in place for monitoring and evaluating your experience of the Recommendation at a national level?

No

If yes, please provide details:

Sharing information

36. Do you have policies and procedures in place for sharing experiences with other Members?

Yes

If yes, please provide details:

Ad hoc informal exchanges (email, telephone, etc.)

☒

Ad hoc bilateral / multilateral meetings

☒

Practitioners' events

☒

Other (please specify)

☐

Revisions of due diligence procedures

37. (a) When was the last review or update of your due diligence procedures conducted? (mm/yy)

12-2012

(b) What was the motivation for the last review or update of your due diligence procedures?

2012 Common Approaches

(c) Are any modifications foreseen in the near future?

No

If yes, please provide details:

When ? (mm/yy)

Resources

38. How many dedicated Practitioners work for your institution?

4

Reporting

39. How frequently do you report *ex post* to the ECG, in accordance with paragraph 41 of the Recommendation, all Category A and Category B projects for which a final commitment has been issued?

semi-annually

40. Do you produce any reports on environmental and social issues in addition to those required by the Recommendation?

No

If yes, please provide details:

Environmental and Social Survey

REPORTING COUNTRY INFORMATION

ESS-KOR-KSURE (30-03-2015) version 2

Reporting Country

Korea

Reporting Institution

KSURE

Submission Date

30 March 2015

Version number

2

Additional measures

41. Have you adopted any additional measures for undertaking due diligence, consistent with the overall objectives of the Recommendation?

No

If yes, please provide details:

Applications not classified

42. Do you have policies and procedures in place for assessing the environmental and social risks associated with existing operations, including reviewing potential impacts and benchmarking against international standards?

No

If yes, please provide details:

43. Do you have policies and procedures in place for addressing environmental and social issues relating to exports of capital goods and/or services that are not destined to identified locations?

No

If yes, please provide details:

Applications not covered by the Recommendation

44. Do you have policies and procedures in place for addressing the environmental and social issues relating to exports of capital goods and/or services and the locations to which these are destined for officially supported export credits not covered by the scope of the Recommendation, *i.e.* with a repayment term of less than two years, for military equipment and agricultural commodities, for any applications exempt from screening as reported under Q3, etc.?

No

If yes, please provide details:

Additional comments

45. Please provide any additional comments.