

## Environmental and Social Survey

### REPORTING COUNTRY INFORMATION

ESS-AUS-EFIC (10-03-2015) version 3

Reporting Country

Australia

Reporting Institution

EFIC

Submission Date

10 March 2015

Version number

3

### 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.

EFIC has a published Policy for environmental and social review of transactions ("Policy") and Procedure for environmental and social review of transactions ("Procedure") that provide this information.

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

<http://www.efic.gov.au/about-efic/our-corporate-responsibility/transactions/>

### 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)

☒

EFIC discusses detailed screening requirements with its clients.

#### Responsibility for screening

5. Who is responsible for screening applications?

Underwriter

☐

Practitioner

☒

ECA Consultant

☐

Other (please specify)

☐

#### 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:

This is part of our Policy and Procedure.

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

Yes

If yes, please provide details:

This is part of our Policy and Procedure.

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## Classification system

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

Yes

If yes, how do you classify such applications?

Other (please specify)

Existing operations are identified as having either:

- a potential for environmental and/or social impact (i.e. equivalent to category A or B), or
- no potential for environmental or social impact (i.e. equivalent to category C).

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

Yes

If yes, how do you classify such applications?

Other (please specify)

EFIC screens and classifies all transactions, but does not categorise all transactions. How we do this is described in our Procedure.

## 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:

Described in our Policy and Procedure

## 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:

Would always conduct own review

(b) Any other comments:

In conducting our review we would take into account the views of the other ECA, MFI or Agency if these were able to be shared.

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:

EFIC uses the IFC Performance Standards as its usual benchmark and, where appropriate, manages associated facilities as described in the Standards. This is consistent with the Recommendation.

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:

Informal arrangements, but EFIC meets regularly with Australia's NCP.

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### 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?

Yes

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

Yes. However, this is a highly unusual circumstance that would need to be justified.

### 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.

Described in our Procedure, in particular section 2.2.

### Responsibility for review

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

Underwriter

☐

Practitioner

☒

ECA Consultant

☐

Other (please specify)

☐

### Standards for benchmarking projects

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

Various methods that may include review of a Project ESIA, host country government websites and approval documents, client provided information, legal advice and internal review.

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.

Never

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

Default standards, i.e. when WB/MFI not involved in project or when more stringent international standards (such as EU standards) not applied

(c) Multilateral Financial Institution (MFI) standards.

Where such institutions are supporting a project

(d) Any other comments:

EFIC has adopted the IFC Performance Standards as its usual benchmark. For transactions associated with projects located in Australia where the project has obtained the relevant Australian approvals, EFIC considers that its environmental and social benchmark has been met.

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:

EFIC's Policy states that "EFIC declines transactions if it determines that the environmental and/or social impacts do not satisfy relevant benchmarks."

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### Site visits

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

- |  |  |
|--|--|
| <p>(a) All projects <input type="checkbox"/></p> <p>(b) Category A projects <input checked="" type="checkbox"/></p> <p>(c) Category A project finance transactions only <input type="checkbox"/></p> <p>(d) Category B projects <input checked="" type="checkbox"/></p> <p>(e) Project finance transactions <input type="checkbox"/></p> | <p>(f) Project involves particularly complex/unusual potential impacts <input checked="" type="checkbox"/></p> <p>(g) Project located in or near sensitive area <input checked="" type="checkbox"/></p> <p>(h) Project generating significant stakeholder interest <input checked="" type="checkbox"/></p> <p>(i) To verify project impact information provided <input checked="" type="checkbox"/></p> <p>(j) Other (please specify) <input type="checkbox"/></p> |
|--|--|

**EFIC makes a decision on the need for a site visit on a case by case basis.**

## 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?

- |   |  |
|---|--|
| <p>Underwriter <input type="checkbox"/></p> <p>Senior ECA staff <input checked="" type="checkbox"/></p> <p>Guardian Authority(ies) <input type="checkbox"/></p> | <p>Practitioner <input type="checkbox"/></p> <p>ECA committee / board <input checked="" type="checkbox"/></p> <p>Other (please specify) <input type="checkbox"/></p> |
|---|--|

**Decisions on support are made in accordance with Board delegated credit approvals.**

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

**EFIC's Policy states that "EFIC declines transactions if it determines that the environmental and/or social impacts do not satisfy relevant benchmarks."**

(b) Please provide any examples of experience.

**Confidential information, but EFIC has declined support for a variety of projects.**

### 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.

**This is very dependent on the type of transaction. Section 3.2 of our Procedure explains.**

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

**Section 3.2 of our Procedure provides details.**

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## 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)

☒

EFIC has internal procedures for monitoring all transactions including those associated with projects.

(b) Monitoring frequency/period:

(i) during construction:

other (please specify)

(ii) during operation:

other (please specify)

(c) Content:

(d) Any other comments:

Monitoring requirements are determined on a case by case 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):

☒

EFIC's Portfolio Management Department (PMD) has responsibility for monitoring all transactions, while environmental and social monitoring is undertaken by a practitioner for the PMD.

## Non-compliance measures

26. (a) What actions are available to you in cases where monitoring reveals that conditions are not being complied with?

This is very dependent on the type of transaction. Section 3.2 of our Procedure explains.

(b) Please provide any examples of experience.

Independent consultant reports on environmental and social compliance for the PNG LNG Project provide examples, see: <http://pnglng.com/commitment/plans-and-reporting/iesc-reports>

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### 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"/>            |  |                          |

**EFIC is generally supportive of public reporting by projects.**

(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 type="checkbox"/> |
| (xi) Any other (please specify)                    | <input checked="" type="checkbox"/> |  |                          |

**As required in IFC PS1, EFIC expects projects supported through its transactions to disclose information commensurate with a project's risks and adverse impacts.**

## 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:

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

**EFIC seeks to exchange information where possible and appropriate.**

(b) competitive situations:

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

**EFIC seeks to exchange information where possible and appropriate.**

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### 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

☒

Project location

☒

Description of exported goods/services and of the project

☒

Details of where additional information may be obtained

☒

Other (please specify)

☒

**EFIC also provides: industry sector, facility type, an outline of reasons for categorisation and links to the project ESIA.**

(b) The language of the information released:

ECA language

☐

English

☒

Project language

☐

Other (please specify)

☐

(c) Method of disclosure:

ECA website (please provide link below)

☒

Other (please specify)

☐

**<http://www.efic.gov.au/about-efic/our-corporate-responsibility/transactions/transaction-disclosure/>**

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

**30**

days

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

**EFIC has no experience of such circumstances.**

### 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.

**An environmental and social assessment of the project.**

(b) Language of the information released:

ECA language

☐

English

☐

Project language

☐

Other (please specify)

☒

**EFIC has no specific policy on language but would expect the ESIA to be available, as a minimum, in the host country language.**

(c) Method of disclosure:

Disclosure of documents by ECA

☐

Via link on ECA website to additional information

☒

Other (please specify)

☐

**If a link to a project website is not available, EFIC makes the environmental and social assessment available via its website.**

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

**30**

days

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

**EFIC has no experience of such circumstances.**

### 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 checked="" type="checkbox"/>
(iii) Name of buyer / project sponsor	<input type="checkbox"/>	(xii) Type of support	<input checked="" type="checkbox"/>
(iv) Repayment term	<input type="checkbox"/>	(xiii) Project credit volume	<input checked="" 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 type="checkbox"/>
(vii) Key environmental and social factors / potential impacts	<input 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"/>

**EFIC provides details of all its transactions - which extend beyond export credits.**

- (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"/>
---	-------------------------------------	------------------------	--------------------------

**<http://www.efic.gov.au/about-efic/our-corporate-responsibility/transactions/transaction-disclosure/>**

- (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**

**Information on all EFIC's transactions is available in its Annual Reports. Information on previous Category A transactions is provided in a Category A archive on our website.**

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

**EFIC has no experience of such circumstances.**



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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? **No**

If yes, please provide details:

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

**EFIC has no experience with supporting projects that do not meet its benchmarks. EFIC's Policy states that "EFIC declines transactions if it determines that the environmental and/or social impacts do not satisfy relevant benchmarks."**

### 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	<input checked="" type="checkbox"/>	(v) Guardian Authority(ies) approvals	<input type="checkbox"/>
(ii) Internal audits	<input type="checkbox"/>	(vi) Assurance provided by external parties	<input checked="" type="checkbox"/>
(iii) Compliance Officer	<input type="checkbox"/>	(vii) Complaint procedures	<input checked="" type="checkbox"/>
(iv) Disclosure and reporting practices	<input checked="" type="checkbox"/>	(viii) Other (please specify)	<input type="checkbox"/>

**EFIC has committed to engage an independent environmental and social expert to audit the application of its Policy and Procedure every two years. Audit reports are made public and are available at: <http://www.efic.gov.au/about-efic/our-corporate-responsibility/transactions/independent-audit/>**

#### 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? **Yes**

If yes, please provide details:

**EFIC monitors all transactions, including those relating to export credits.**

#### 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.)	<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"/>

#### Revisions of due diligence procedures

37. (a) When was the last review or update of your due diligence procedures conducted? (mm/yy) **06-2013**

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

**Procedure was updated following the release of Equator Principles 3 (June 4 2013) and a decision to disclose EFIC's potential involvement in Category A projects located in Australia.**

(c) Are any modifications foreseen in the near future? **No**

If yes, please provide details:

When ? (mm/yy)

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## Resources

38. How many dedicated Practitioners work for your institution?

2

## 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?

Yes

If yes, please provide details:

EFIC publicly reports on its transactions on an on-going basis through a transaction register on its website and annually through its Annual Report.

## Additional measures

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

Yes

If yes, please provide details:

EFIC's Policy and Procedure apply to all transactions, not just export credits.

## 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?

Yes

If yes, please provide details:

EFIC's Policy and Procedure apply to all transactions, not just export credits. Existing operations are discussed in section 2.3 of our Procedure.

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?

Yes

If yes, please provide details:

EFIC's Policy and Procedure apply to all transactions, not just export credits. Non-projects are discussed in section 2.3 of our Procedure.

## 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.?

Yes

If yes, please provide details:

EFIC's Policy and Procedure apply to all transactions, not just export credits.

## Additional comments

45. Please provide any additional comments.