Environmental and Social Survey

REPORTING COUNTRY INFORMATION		ESS-USA-USEXIM (10-03-2015) version 2	
Reporting Country	United States	Reporting Institution	USEXIM
Submission Date	10 March 2016	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.

- USEXIM's environmental & socal policies and procedures are set forth through its Environmental Procedures and Guidelines (EPG), which are alligned with the objectives of the Recommendations, other policies of the Bank, and the requirements of U.S. law. The EPG are posted on USEXIM's website and are administered by its Engineering and Environment (E&E) Division, which includes environmental & social practitioners.

- Staff of the E&E Division screens and classifies applications for financing in accordance with the Recommendation, and it undertakes environmental reviews of projects appropriate to the Category, which includes reviews of ESIAs, Environmental and Social Managment Plans, etc. The Practitioners prepare an evaluation of the project's environmental and social impacts, and its level of compliance with USEXIM's Environmental Guidelines. The evaluation may include recommendations that financing be conditioned on environmental mitigation measures to ensure that the project maintains compliance with the applicable guidelines. USEXIM's Board reviews the environmental evaluation of the project when it acts to approve or withhold financing.

- The Environmental Pracitioners monitor projects to ensure continued compliance with the Environmental Guidelines and compliance with any environmental conditions related to the financing of the project.

- The E&E Division is responsible of all ex-ante and ex-post environmentally related disclosures for projects, including project descriptions, avaiaiblity of ESIAs and other environmental information including the level of expecrted GHG emissions for projects that will produce > 25,000 tons CO2 eq/year. This information is posted on USEXIM's website within time periods specified in the Recommendation.

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

http://www.exim.gov/generalbankpolicies/environment/Environmental-and-Social-Due-Diligence-Procedures-and-Guidelines.cfm

II SCREENING

Exemptions

3. Are all applications (apart from those related to military equipment and agricultural commodities) screened? **No**

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

(a) value of any threshold used: **0.00** *(b)* currency: **USD**

(c) details of any products exempt from screening:

All aircraft transactions are classified as Category C.

(d) details of any other exemptions from screening:

Applications for financing with repayment terms of less than 2 years, and applications for working capital (pre-export) financing are not screened.

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Information requirements

4. What information is required for the screening process?

Application form	X	Separate environmental/social questionnaire	X
Sector / issue-specific questionnaires (please specify)	X	Other (please specify)	

A general project "sceening document" is used to classify the environmental category. The screening document only contains information needed to classify the environmental category. Environmental information required to evaluate the level of the project's compliance with the Guidelines is required subsequent to screening.

Responsibility for screening

5. Who is responsible for screening applications?

Underwriter	X	Practitioner	X
ECA Consultant		Other (please specify)	X

USEXIM Practitioners screen and classify with supervisory review and concurrence.

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:

All project-related transactions with repayment terms of two years or more are screened and classified. Transactions relating to exports for existing project undergoing no significant changes are classified as Category C, while those undergoing significant change are classified as either Category B or A, depending on the potential for additional environmental and/or social impacts.

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

If yes, please provide details:

All applications for financing for repayment terms of two years or more are screened to determine if the application relates to a project, and if so, the nature of the project and its location. All projects identified as being in or near sensitive locations are classified as Category A or B.

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**

All project-related transactions with repayment terms two year or more are screened and classified.

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**

USEXIM uses a web-based application and review system for projects with repayment terms of two years and greater, and less than $10 million. All such project transaction applications are screened and classified.

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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:

USEXIM Environmental Procedures & Guidelines requires applicants to provide E&S information to identify and assess the positive and negative project impacts sufficient in order to classify the project.

Responsibility for classification

10. Who is responsible for the classification of applications?

Underwriter		Practitioner	X
ECA Consultant		Other (please specify)	

USEXIM Practitioners screen and classify with supervisory review and concurrence.

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:

Irrespective of the level of US-EXIM's financial participation in a project, its practitioners undertake a full review of the environmental / social impacts and risks of the underlying project

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:

USEXIM's Environmental Procedures and Guidelines specifically require that Applicants provide adequate E&S information to assess the impacts of any project associated facilities, including, when appropriate, cumulative impact assessments that address the joint impacts of the project and associated facilities.

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:

USEXIM itself does not have formal procedures to directly address/consider US NCP reports/statements. However, as a member of the U.S. NCP Interagency Working Group, it is aware of all Specific Instances handled by the US NCP and considers any relevant implications as part of its due diligence.

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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? **No**

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

USEXIM requires an ESIA or comparable document for all Category A projects. However, if the documentation has gaps, the gaps can be addressed during the review period and, on a case-by-case basis, residual gaps may be addressed through an enforceable E&S action plan.

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, applicants are required to furnish environmental information sufficient for USEXIM to access the project's compliance with relevant Performance Standards and Environmental Health & Safety Standareds. Where needed, measures to reduce, prevent or mitigate expected impacts are required. E&S management plans addressing the impacts may be required.

Responsibility for review

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

Underwriter	X	Practitioner	X
ECA Consultant		Other (please specify)	

E&S reviews are conducted by the Engineering and Environment (E&E) Division of USEXIM, which includes environmental and social specialists and a managerial supervisor. For Category A project finance and more complex project-related corporate finance transaction, an independent lender's E&S consultant may be used.

Standards for benchmarking projects

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

USEXIM requires information sufficient to determine whether all relevant/required host country permits have been obtained and that the Project is in compliance with the requirements of those permits.

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.

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. **Other (please specify)**

(d) Any other comments:

(a) USEXIM has not applied the World Bank Safeguard Policies in the recent past; however, their use is an option for sovereign transactions. If the WB SGPs are used, USEXIM may augment those requirements with additional requirements to fill gaps with the IFC PS, e.g., IFC PS2 Labor and Working Conditions.

(c) USEXIM will address MFI requirements to assure that the more stringent standards are applied, though it has infrequently encountered this experience in the recent past.

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:

USEXIM generally will not support a project that cannot meet applicable International guidelines. However, it may, on a case-by-case basis, approve a project that does not meet such Guidelines at the time of Board consideration on the condition that they willl be met per implementation of an enforceable E&S action plan with schedule of completion in a reasonable timeframe.

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	X
(b) Category A projects	X	*(g)* Project located in or near sensitive area	X
(c) Category A project finance transactions only		*(h)* Project generating significant stakeholder interest	X
(d) Category B projects		*(i)* To verify project impact information provided	X
(e) Project finance transactions		*(j)* Other (please specify)	

USEXIM Bank Practitioners conduct periodic site visits for nearly all Category A project finance transactions, and generally (as time permits) conduct visits for Category A project related corporate transactions. Priority is given to any project having notable environmentally and/or socially issues.

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	X	ECA committee / board	X
Guardian Authority(ies)		Other (please specify)	

USEXIM's Board of Directors is auhorized to, in its judgement, grant or withhold financing support after taking into account the beneficial and adverse effects of proposed transactions. Senior management may determine whether there is sufficient E&S information to present a project transaction to the Board for its consideration.

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 there is insufficient information relating to a project's environmental effects, or if information indicates that the project will not meet basic international standards, the staff will "discourage" the applicant from further pursuit of financing, or recommend to Bank management or USEXIM Board, that financing be denied.

(b) Please provide any examples of experience.

Only two examples of official (Board of Directror) denial of financing based on environmental/social issues have occurred since 1995 (Three Gorges hydroelectric and Camisea LNG). However there are several cases where the foreign sponsors have withdrawn applications due to engagement with Practitioners on environmental issues.

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.

When financing is approved conditioned on a project meeting specified environmental/social conditions (completion of action plans, mitigation measures, etc.) such conditions are incomrporated into the "financing agreement" and failure to meet such conditions may constitute an "event of default".

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

Formulation (and submittal) of aceptable environmental "Action Plans" within xx months following construction or xx months prior to project operation. Installation of equipment to bring project into compliance with internationsal standards within one year following approval of financing, or prior to project "finacinal closing".

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	X
(ii) Category A projects	X	*(vii)* Project located in or near sensitive area	X
(iii) Category A project finance transactions only		*(viii)* Project likely to generate significant stakeholder interest	X
(iv) Category B projects	X	*(ix)* To verify how impacts are being addressed	X
(v) Project finance transactions	X	*(x)* Where support is provided subject to certain conditions	
(xi) Any other (please specify)			

USEXIM determines the project monitoring requirements on a case-by-case basis, depending on the project sector, location, impacts identified, sensitivity of affected people and resources, and complexity of E&S management plans.

(b) Monitoring frequency/period:

(i) during construction: **quarterly** *(ii)* during operation: **other (please specify)**

(c) Content:

(d) Any other comments:

USEXIM generally requires annual monitoring during operations, but may require a one or two year period of semiannual monitoring for complex or sensitive projects.

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

Underwriter		Practitioner	X
ECA Consultant	X	Other (please specify):	

The USEXIM Practitioner has the lead responsibility for tracking the compliance approved projects. This may entail a combination of making visits to project sites, reviewing monitoring reports prepared by the independent consultant (if any) and/or by the project, and drawing conclusions on whether the project is satisfactorily implementing the ESMPs and fulfilling any E&S conditions.

Non-compliance measures

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

USEXIM generally tries to require a specified plan in the E&S management system to encourage self identification and response to noncompliance by the project, including notifying USEXIM in the event significant noncompliance. We try to include provisions in the loan agreements for an escalating set of responses to noncompliance situations, such as requiring an enforceable remedial action plan with reporting , delaying/witholding disbursements, and ultimately an event of default for inadequate response to serious and protracted noncomplince.

(b) Please provide any examples of experience.

USEXIM has not recently had to called an event of default for E&S noncompliance. However, we have delayed disbursement on several occasions.

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	X	*(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)* Where project not in compliance with support	
(v) Project finance transactions		*(x)* None	
(xi) Any other (please specify)			

USEXIM's policy and U.S. law require that monitoring reports submitted by the borrower be made available to interested parties upon request. We post notice of this availability on the USEXIM website and encourage sponsors to disclose the reports on the project website.

(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	X	*(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)* Where project not in compliance with support	
(v) Project finance transactions		*(x)* None	
(xi) Any other (please specify)			

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.)	X	*Ad hoc* bilateral / multilateral meetings	X
Practitioners' events		Other (please specify)	X

All project information is protected in accordance with the U.S. law, including the Trade Secrets Act. However, all information is also subject to the "Freedom of Information Act".

(b) competitive situations:

Ad hoc informal exchanges (email, telephone, etc.)	X	*Ad hoc* bilateral / multilateral meetings	
Practitioners' events		Other (please specify)	

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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	X	Project location	X
Description of exported goods/services and of the project		Details of where additional information may be obtained	X
Other (please specify)	X		

USEXIM also discloses project name, location and brief description, date of disclosure and availability of ESIA, and project CO2 emissions on it's the "Pending and Approved Transaction" page of its website.

(b) The language of the information released:

ECA language	X	English	X
Project language		Other (please specify)	X

In rare cases, an ESIA in a (secondary) language is accepted provided that excerpts of the ESIA, as selected by the USEXIM practitioner, are translated into English. (The Practitioner must be able to understand the crucial parts of the ESIA, be they in English, Portuguese or Gaelic.)

(c) Method of disclosure:

ECA website (please provide link below)	X	Other (please specify)	

http://www.exim.gov/generalbankpolicies/environment/pending-and-approved-transactions.cfm

(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:

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 to be made available at least 30 days prior to commitment for financing, and in all cases, in accordance with requirements stated in the Performance Standards of the IFC

(b) Language of the information released:

ECA language		English	X
Project language	X	Other (please specify)	

(c) Method of disclosure:

Disclosure of documents by ECA	X	*Via* link on ECA website to additional information	
Other (please specify)			

(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.

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

(b) Language of the information released:

ECA language	X	English	X
Project language		Other (please specify)	

(c) Method of disclosure:

ECA website (please provide link below)	X	Other (please specify)	

http://www.exim.gov/generalbankpolicies/environment/pending-and-approved-transactions.cfm

(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: duration of ECA involvement in the project

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

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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? **Yes**

If yes, please provide details:

Reported to the Working Group on Export Credits and Credit Guarantees (ECG)	X	Disclosed publicly on ECA website	
Disclosed publicly on Guardian Authority's website		Other (please specify)	

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	X	*(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	X	*(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? **Yes**

If yes, please provide details:

US EXIM requires that environmental monitoring reports from project buyers/sponsors be made available to the public upon request. This does not necessarily include monitoring reports from independent environmental & social consultants.

Sharing information

36. Do you have policies and procedures in place for sharing experiences with other Members? **No**

If yes, please provide details:

Ad hoc informal exchanges (email, telephone, etc.)	X	*Ad hoc* bilateral / multilateral meetings	X
Practitioners' events	X	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) **06-2013**

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

To align USEXIM's procedures and guidelines with the 2012 Common Approaches (and the Equator Principles which USEXIM joined that same year).

(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? **3**

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:

USEXIM reports to the public on an annual basis the GHG emissions from the projects it finances, and this information is available for the ECG.

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:

USEXIM's Charter statute requires the ex post "disclosure of environmental assessments and supplemental environmental reports required to be submitted to the Bank, including remediation or mitigation plans and procedures, and related monitoring reports," subject to limitations on disclosing proprietary information.

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:

USEXIM's Environmental Procedures & Guidelines address existing operations. If no substantive change in project output or impact, the application is classified as Category C (no further review.) If impacts from existing operations are known to be adverse and materially against international standards, a review is undertaken, appropriate mitigation required or financing may be declined.

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.