Environmental and Social Survey

REPORTING COUNTRY INFORMATION

ESS-DNK-EKF (16-03-2016) version 3

Reporting Country	**Denmark**	Reporting Institution	**EKF**
Submission Date	**16 March 2016**	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.

EKF has during the course of 2012 revised its Environmental and Social Policy as well as its Project due diligence process. EKF is currently in the process of updating the general CSR policy, which will be approved by the end of 2013. As part of the new Environmental and Social due dilligence policy and process, EKF has carried out internal workshops, meetings and awareness activities.

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

http://www.ekf.dk/en/about-ekf/CSR-at-EKF/Pages/default.aspx

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: *(b)* currency:

(c) details of any products exempt from screening:

Letters of credit below SDR 10 mio and below 2 years repayment are not screened

(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	X
Sector / issue-specific questionnaires (please specify)		Other (please specify)	

We usually require basic information on the project included in the application form, short description of the deliveries, location of the project (maps) and brief description of associated facilties.

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Responsibility for screening

5. Who is responsible for screening applications?

Underwriter		Practitioner	X
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:

It is part of our screening questions to identify if the delivery is to be placed in a greenfield project or on an existing operations.

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

If yes, please provide details:

This is a question we usually obtain by requiring information on the location of the project and maps. Furthermore we use google earth or IBAT in order to identify the location of the project in relation to sensitive areas.

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 applications above SDR 10 mio. are screened and classified, regardless of if those are existing operations or not. The procedure is slightly different for exports to existing operations: for exports which account for up to 50% of the whole existing project, the review and classification will be done with the publicly-available information on the client and project; for exports accounting for more than 50% of the existing operations, EKF will take the dialogue with the client to assess the impacts.

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**

Same as above.

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:

We use a variety of tools, such as internet searches, IBAT, Maplecroft, MSCI and other reports.

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Responsibility for classification

10. Who is responsible for the classification of applications?

Underwriter		Practitioner	X
ECA Consultant		Other (please specify)	

The Underwriter has to review a short questionnaire in order to identify Category C transactions. If the project does not fall within Category C, the project is sent to the CSR department and further classified as a Category A or Category B project.

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:

EKF will take into account the review carried out by other institutions, but we will always carry out our own review.

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:

We will screen for its location, ownsership and main social and environmental impacts with publicly available information, but it very much depend on the case.

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:

EKF will review publicly reported cases and any information made available to us by a NCP as part of our due diligence process.

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:

We will then require other information equivalent to an ESIA: Environmental and social management plans, permits, consultation procedures, grievance mechanism forms, stakeholder engagement plans, resettlement plans, Environmental and Social Action Plans. We will also establish a dialogue with the client in order to assess the robustness of their management systems and visit the project site most of the times.

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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.

We will usually start by asking for an ESIA, and the same type of information as described above. A site visit will generally not be undertaken.

Responsibility for review

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

Underwriter		Practitioner	X
ECA Consultant		Other (please specify)	

For Category A projects, we will also use our external consultants, which will provide an independent review of the project.

Standards for benchmarking projects

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

By asking the client and reviewing permits and applications.

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.

All projects

(c) Multilateral Financial Institution (MFI) standards. **Where such institutions are supporting a project**

(d) Any other comments:

In some of our products the point of the departure will be the use of the IFC PS, even though commensurate to the size and characteristics of the project.

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:

Most of the times, we will agree with the client on any further Action Plans to bring the project into compliance.
On a few occassions we have accepted projects not in compliance with IFC NOx requirements (always in compliance with national regulations, though) - within a 10% margin of tolerance.

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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.

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

The practitioner proposes to the board the covenants/conditions for approving the project, and the board will take the final decission.

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 our conditions for approval of the project are not met. In general we seldomly say 'no' - instead we present under which conditions we are willing to participate.

(b) Please provide any examples of experience.

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.

We use both conditions to be fulfilled prior to, and after, depending of the importance of these non-compliances.

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

For conditions to be fulfilled prior to commitment, we have used: grievance mechanism procedures, labour handbooks, different Environmental and Social management plans for the project, and update of the ESIA. For conditions after disbursement, we have required stakeholder engagement plans, bird and bats monitoring... etc.

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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	X
(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	X
(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	X
(xi) Any other (please specify)			

(b) Monitoring frequency/period:

(i) during construction: **semi-annually** *(ii)* during operation: **annually**

(c) Content:

The content will vary from the progress made on the ESAP previously agreed, the status of the construction of the project, incidents and accidents, material non-compliances… etc.

(d) Any other comments:

It depends on the sector: on the wind sector we will usually have semi-annual monitoring during construction, but in oil and gas sectors we might have quarterly, depending on the complexity of the project.

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		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?

Establish dialogue with the bank, and direct dialogue with the client to correct any major non-compliances. That can include both meetings and site visits to the project site.

(b) Please provide any examples of experience.

In a recent case of non-compliance, EKF has established a dialogue with the bank, together with the client in order to agree on an Action Plan for the client to remedy the non-compliances.

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

(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		*(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	X
(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)	

Important to be aware that sharing information is not the same as relying on information. Often there are limitations in to what extent, as an ECA, you can rely on the information that others share with you.

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(b) competitive situations:

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

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	X	Details of where additional information may be obtained	X
Other (please specify)	X		

We also attached a link to the ESIA summary or webpage where the ESIA has been published.

(b) The 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.ekf.dk/en/about-ekf/CSR-at-EKF/Pages/Current-category-A-projects.aspx

(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:

In cases where the Danish exporter has not notified their participation in a project to the stock exchange.

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.

Basic information on the project and summary of the ESIA.

(b) Language of the information released:

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

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(c) Method of disclosure:

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

(d) Minimum number of days the information should be made available prior to commitment: 30 days

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

Same as in 30 e)

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	X	(xi) Name of exporter	X
(iii) Name of buyer / project sponsor	X	(xii) Type of support	X
(iv) Repayment term	X	(xiii) Project credit volume	X
(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	
(viii) On-going monitoring reports		(xvii) GHG emissions of projects	
(ix) Details of where additional information may be obtained		(xviii) Other (please specify)	

We inform about the 'Date of issue' - not the commitment date. Further, we also inform about the Creditor (where relevant)

(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.ekf.dk/en/about-ekf/EKF-in-figures/Pages/Business.aspx

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

Monthly

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

From 2010

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

It would happen in very rare circumstances and the reason could be due to security issues or due to competitve situations.

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		*(v)* Guardian Authority(ies) approvals	
(ii) Internal audits		*(vi)* Assurance provided by external parties	
(iii) Compliance Officer	X	*(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:

We do however evaulate

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

Meetings among Nordic ECAs

Revisions of due diligence procedures

37. *(a)* When was the last review or update of your due diligence procedures conducted? (mm/yy) **12-2013**

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

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

If yes, please provide details:

In november 2013 we will evaluate how the procedure approved in november 2012 works for EKF

When ? (mm/yy) **11-2013**

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? **Yes**

If yes, please provide details:

We issue an annual CSR report, that includes information on all applications reviewed. These reporst satisfy the reporting requirements of Equator Principles, UN Global Compact, the Danish Accounting Act (§99a on social responsibility). Information on the projects include: classification, type of review, issues of concern and whether monitoring is performed.

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:

Equator Principles
UN Guiding Principles for Businesses and Human Rights

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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:

Yes. Please see answer on question 7.

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:

Yes. In this case, we will do an assessment of the Danish exporter (management system robustness, due diligence systems in place, supply chain systems….).

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:

Yes, our policy covers both small deliveries that are under 10 million SDR or under 2 years repayment (type II products) and applications without repayment term, where the risk lies mainly on the exporter. In this case, we will carry out a review of the exporter and its facilities. For transactions under 5 million DKK, underwriters will review applications and approve them, unless they are concern animal welfare, major green field expansions or if the rating of the country (from our country model) is not 'green', in which case the applications are passed to the CSR department for screening.

Additional comments

45. Please provide any additional comments.