



EKF

EKSPORT KREDIT FONDEN

Financing of Sustainable Development Do we make a difference?

UNEP Finance Initiative
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- Who is EKF?
- EKF's Environmental Policy and the International Framework
 - ↳ OECD Recommendation
 - ↳ Equator Principles
- EKF's Environmental Review Process
- Do we make a difference?

Who is EKF?



EKF insures against the risk of financing of export projects in uncertain markets

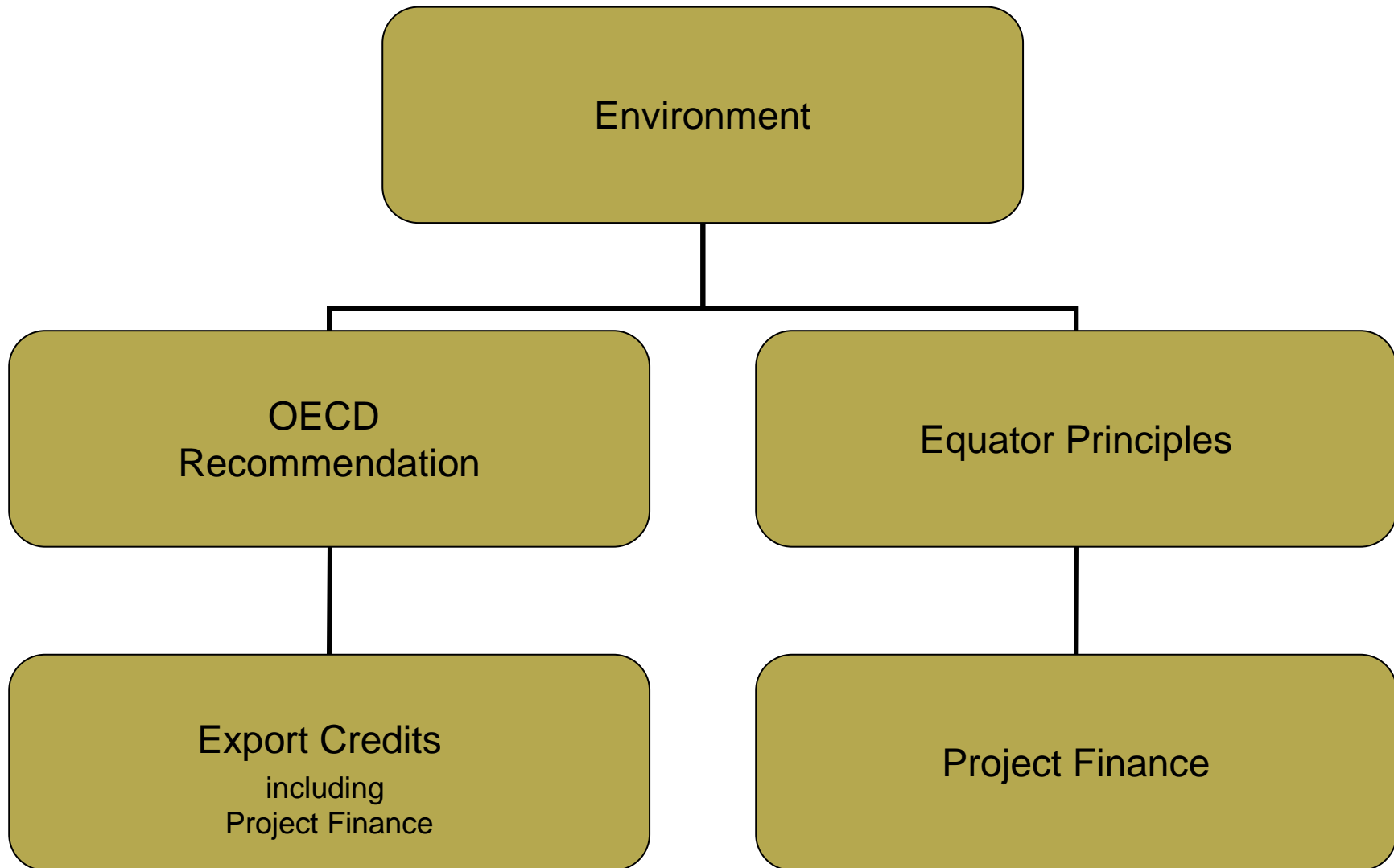
EKF operates on commercial terms and conditions and is guaranteed by the Danish State.

EKF's Environmental Policy



- *Since 2000* - Integral part of EKF's risk assessment
- *2001* - Implemented the OECD Recommendation
- *2004* - Adopted Equator Principles
- *2006* – Adopted Equator Principles II

International Framework



OECD Recommendation

A framework for officially supported export credits for identifying and evaluating the environmental impacts of projects and export of capital goods and services.

↳ repayment period of two years or more

↳ based on international guidelines and standards

The Equator Principles



Ten principles adopted by 41 financial institutions
Covers 80% of the global project finance market

↳ Based on IFC's 8 Performance Standards:

- 1 Social and Environmental Assessment and Management Systems
- 2 Labor and Working Conditions
- 3 Pollution Prevention and Abatement
- 4 Community Health, Safety and Security
- 5 Land Acquisition and Involuntary Resettlement
- 6 Biodiversity Conservation and Sustainable Natural Resource Management
- 7 Indigenous People
- 8 Cultural Heritage

Ten Principles



Principle 1: Review and Categorization

All projects are reviewed and categorized by the EPFI

Principle 2: Social and Environmental Assessment

Addressing relevant impacts and risks of the project

Principle 3: Applicable Social and Environmental Standards

In low and medium-income countries: IFC Performance Standards and EHS Guidelines apply.

In High-income OECD Countries: Local and national social and environmental laws, regulations and permits apply.

Ten Principles (cont.)

Principle 4: Action Plan and Management System

Borrower's Action Plan to implement corrective actions, mitigation and monitoring measures

Principle 5: Consultation and Disclosure

Assessment Documents and Action Plan public for free, prior and informed consultation

Principle 6: Grievance Mechanism

Addressing project-affected communities concerns

Ten Principles (cont.)



Principle 7: Independent Review

Of Category A transactions; and as required for Category B

Principle 8: Covenants

Requiring compliance with local and national social and environmental laws

Principle 9: Independent Monitoring and Reporting

Mandatory requirement for independent monitoring for Category As;
Category Bs as required

Principle 10: EPFI Reporting

On implementation process and experience

- Environmental screening and the three S:
 - Size, Site, and Sector
- Environmental review: EKF's external consultant reviews all projects
 - ▶ final categorization
 - ▶ recommendation re. covenants, action plan and monitoring needs
- EKF's management approves environmental impacts and requirements

How do we make a difference?

Social and Environmental Performance:

- Covenants

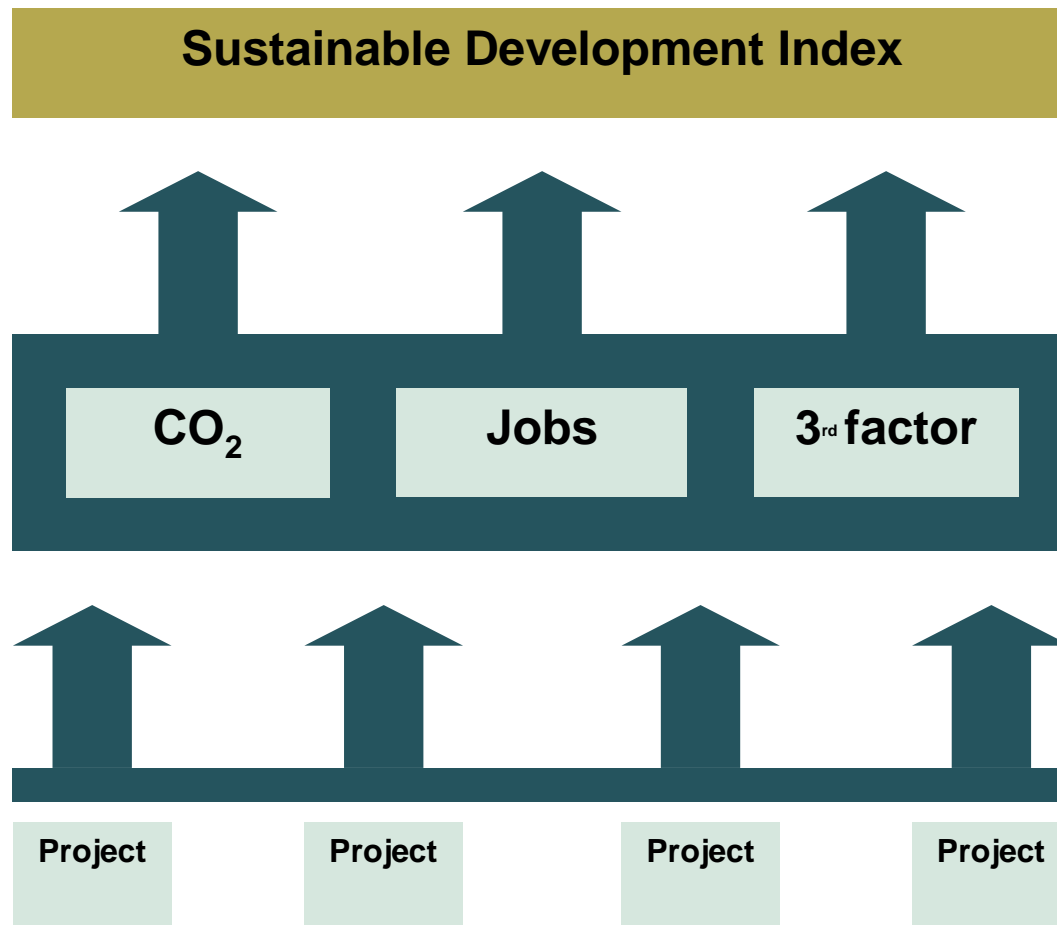
-  In loan documents

- Monitoring

-  Regular reporting

- Measuring impact of the portfolio

-  EKF Index for Sustainability



Eksport Kredit Fonden (EKF)

Financing of Sustainable Development - 2005

May 2006



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Checked by	: Anders Faber, Department Manager
Approved by	: Anders Faber, Department Manager

Findings 2005

- + Significant reductions in CO₂, NO_x, SO₂, particulates and BOD₅
- + Local job creation app. 35,000 man-years
- Resettlements of 178 families
- + World Bank standards met

↳ **Sustainable Index 2005: 1.5**

↳ ↳ EKF makes a positive contribution to a sustainable development

THANK YOU!



For more information:

www.ekf.dk > Environment

www.equator-principles.com

www.oecd.org

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