

The Austrian Environmental & Social Assessment Procedure

Effective as of April 2016 – short description

Comprehensive international framework conditions are in place regarding export guarantees. Therefore, on behalf of the Austrian Federal Ministry of Finance (BMF), OeKB carries out a due diligence review of all transactions for which an export guarantee is applied for as to their environmental and social impacts in the broader sense of the term. Factors to be taken into account include sustainability, human rights, development aspects and the peaceful coexistence of peoples.

Framework Conditions

One of the bases of the OeKB Environmental and Social Assessment Procedure is the “Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence” of the OECD (also referred to as “Common Approaches”). These Common Approaches were adopted by the OECD Ministerial Council in April 2016 in order to create a level playing field for exporters from different countries. An overview of the Environmental Assessment Procedure of the individual OECD countries is available on the [OECD website](#).

In addition, OeKB complies with the Sustainability Policy of the Austrian Federal Ministry of Finance and also reviews the potential impacts of projects not covered by the provisions of the Common Approaches.

The revised OeKB Environmental and Social Assessment Procedure, effective as of April 2016, is intended to ensure that the best available environmental information is reviewed in a simple, clear and efficient process within a limited time frame. Exporters and sponsors will thereby be better able to assess the type and scope of the documents and the time period required for the review.

Procedure

All applications for export guarantees issued by the Republic of Austria are to be screened in order to decide which assessment procedure should be applied. There are two types of procedures:

Type I: Environmental Assessment in accordance with the OECD Common Approaches

Investment goods projects that have a payment period of two years or more and a value upon application of over EUR 10 million or that are to be implemented in sensitive regions have to be reviewed in accordance with the OECD Common Approaches.

The Environmental Assessment Procedure based on the Common Approaches is governed by strict international standards.

- The exporter fills in an environmental and social questionnaire.
- On the basis of the information provided by the exporter, OeKB then classifies the project as a project of Category
 - A: Projects that have the potential to have significant adverse environmental and/or social impacts, which are diverse, irreversible and/or unprecedented.

- B: Projects whose potential environmental and/or social impacts are less adverse than those of Category A projects.
- C: Projects that have minimal or no potentially adverse environmental and/or social impacts
- Existing operations are reviewed as well. Here, particular consideration is given to the factor of whether the expansion of operations would result in a change in the environmental impact of the operations as a whole.
- Depending on the category, an ESIA (Environmental and Social Impact Assessment) and a site visit may become necessary or the review may be carried out on the basis of available documents.
- OeKB provides a final report on the collected data and makes a recommendation as to whether and under what conditions an export guarantee should be issued.
- The Federal Minister of Finance decides whether a guarantee will be granted for the respective project.

In order to facilitate the exchange of information, documentation may be prepared in English.

Type II: Environmental Assessment in accordance with the “Watchful Eye” Principle

In the case of all other projects, OeKB reviews the relevance of the project and decides whether a due diligence is required – depending on the project size, location and sector. If a due diligence is necessary, a report is prepared and a recommendation is made in the same manner as under the Type I Procedure; where applicable, conditions may be imposed.

Transparency

OeKB publishes Category A projects on its [website](#) at least 30 days prior to the granting of the export guarantee. Category A and B projects are published on the [OeKB website](#) after the granting of the guarantee.

Contact for Exporters

The earlier you contact OeKB, the better we can support you in preparing the necessary documents:

Project and Client Analysis Service Center
 Phone +43 1 531 27-2606
project.analysis@oekb.at

Detailed information on the Environmental Assessment Procedure and the questionnaires are available on www.oekb.at/esia.