NEW ZEALAND
EXPORT CREDIT OFFICE

NZECO's Environmental Questionnaire

NZECO considers it important to assess the environmental impact of exports that it guarantees. This environmental questionnaire is a tool in this process.

It is important for the applicant to answer all the questions in the questionnaire. A comprehensive response will reduce the need for complementary information and speed up the guarantee issuing process. However, the applicant should also be aware that NZECO may ask for additional information concerning various potential environmental aspects of the export transaction that is not included in the questionnaire.

In accordance with NZECO's environmental policy, a guarantee application may be turned down if insufficient information and analysis of environmental impacts is provided. A guarantee application may also be declined if the analysis indicates strong negative environmental impacts that are not sufficiently managed or mitigated.

Instruction for completing the questionnaire

The environmental questionnaire should in general be completed for exports that:

- could be classified as category A or B;
- the NZECO's guaranteed amount exceeds NZD 20 million; and
- the buyer has been offered a repayment term of at least two years.

The definition of the environmental categories is provided below:

Category A: Exports where there is a significant risk of adverse environmental impact. Large-scale projects in environmentally sensitive sectors or with sensitive locations, primarily the energy industry, construction and civil works, infrastructure projects, the pulp and paper industry and the mining, steel and chemical industries. Exports relating to additions or modifications to existing facilities in these areas which entail major expansion of capacity are also classified as A. Examples of category A projects are presented in **Annex 1**. In the review of category A projects, NZECO requires an Environmental Impact Assessment (EIA) that conforms to international standard as specified in **Annex 2**.

Category B: Exports which are expected to have less environmental impact than category A. The effect on the environment is local, and negative effects can be mitigated more easily. Small-scale projects in the areas identified under A. Exports relating to equipment for renovating existing facilities in these areas without production capacity being considerable increased are also classified as B.

Category C: Exports which have minimal or no adverse environmental impact. ECO normally classifies telecommunications and IT projects, for example, as C. Exports relating to new environmentally beneficial technical equipment for existing facilities may also be classified as C.

Category D: Exports aimed solely at improvement of the environment. Examples of exports which can be classified as D are pure environmental investments, environmental equipment and

technology, exports of sustainable energy technology and exports which reduce emissions of greenhouse gases.

Each export is unique with respect to environmental impacts, the sensitivity of the project site, environmental legislation in the project country, etc. Consequently, applications must be assessed on a case-by-case basis. The applicant is therefore asked to complete the questionnaire as thorough as possible.

The environmental questionnaire is divided into two sections. Section 1 provides the actual questions, and Section 2 provides guidance in responding to the questions in Section 1.

Questions in section 1 may require further explanation and information. Given the limited space available to answer these questions thoroughly, the applicant is encouraged to enclose applicable annexes and other relevant information to the environmental questionnaire.

Section 1: Questionnaire

Project Outline and General Information

1. * **Give a brief description of the goods/services/project that you are supplying/ investing in.** (Including contractual obligations, the stage reached in bidding/development, technical processes solutions and methods planned, the extent to which you are able to influence the design or specification of the goods/project and whether the goods/services/ project relate to an extension or modification of an existing plant/project.)

2. (a) If you have a certified Environmental Management System (EMS) according to ISO 14001 or other internationally accepted EMS standard and/or have an officially stated environmental policy, please attach relevant copies.

☐ Copy of certificate/policy previously provided to NZECO.

☐ Copy of certificate/policy attached.

☐ No certificate/policy in place.

(b) Attach details of any documented environmental policy issued by the project developer or owner.

☐ Copy of environmental policy attached.

☐ No environmental policy developed for the project.

(c) If project owner/developer is certified according to ISO 14001 or other internationally accepted EMS standard, please attach relevant copies.

☐ Copy of certificate attached.

☐ No certificate in place.

* Detailed guidance in responding to the question is provided in Section 2.

3. (a) * **Will the goods/services that you are supplying/investing in or has the project/ business been designed to meet recognised environmental standards?** (Indicate, where appropriate, the relevant standards for both the goods and the associated project)

Goods:

☐ Host Country ☐ EU ☐ World Bank ☐ International Finance Corporation (IFC)

☐ Other ☐ None

Project:

☐ Host Country ☐ EU ☐ World Bank ☐ International Finance Corporation (IFC)

☐ Other ☐ None

If other, refer to standard.

If none, explain.

(b) * **If the project/business has been designed to meet any other environmental standards, please provide a copy of these.**

Environmental standard:

☐ Copy attached.

4. (a) Has an Environmental Impact Assessment (EIA) or a study relating to social aspects (e.g. Social Impact Assessment; SIA) been prepared or is one planned? Please attach details of any social or environmental management or monitoring plan that has been developed for the project.

EIA: ☐ Yes ☐ No ☐ Planned

SIA: ☐ Yes ☐ No ☐ Planned

If Yes, attach a copy. If an EIA or SIA is planned, please forward a copy of Terms of Reference and timescales for completion.

Management and monitoring plan

☐ Copy/copies attached ☐ Not available for the project

(b) Where the goods or project impact on the local population and an EIA or SIA has not been prepared, have the local population been consulted?

☐ Yes ☐ No

If Yes, please give details on how this has been managed, including any mitigation or compensation measures.

Environmental Impacts

5. * **Will the goods/services/project have any actual or potential negative environmental impacts in any of the following areas?** (Please mark relevant boxes.)

- ☐ Water pollution or extraction
- ☐ Damage to wildlife or habitats
- ☐ Local air quality
- ☐ Climate change (greenhouse effect)
- ☐ Acid deposition
- ☐ Ozone depletion
- ☐ Use of hazardous substances
- ☐ Production of damaging or toxic waste
- ☐ Noise pollution
- ☐ Degradation of land (e.g. soil contamination, erosion, salinisation)
- ☐ Other adverse environmental impacts, specify:

If there are actual or potential environmental impacts according to above, please give details (e.g. consultants' reports, argument for choice of technique, planned mitigating factors, etc.)

Is there a plan for monitoring potential negative environmental impacts?

☐ Yes ☐ No ☐ Planned

If Yes, attach copy of plan.

6. * **Will the goods/services/project have any actual or potential positive environmental impacts?**

☐ Yes, please give details ☐ No

7. (a) Please give the exact geographical location of the project:

(b) For what is the project site currently used?

☐ Urban ☐ Industrial ☐ Greenfield

☐ Agricultural ☐ Other - please specify

(c) Indicate if the goods/services/project will be located in or could have an environmental impact upon any of the following: (Please mark boxes.)

☐ Semi-arid areas or desert margins

☐ Properties on World Heritage List; http://whc.unesco.org/en/list

☐ Tropical or subtropical forest (especially primary forest)

☐ Rivers, lakes, coastline, coral reefs, areas of hydrological importance, wetlands including mangroves

☐ National parks, nationally designated nature reserves and all other conservation areas, and the margin of these

☐ Habitat providing important resources for vulnerable groups (e.g. indigenous or tribal groups)

☐ Habitat of endangered species of flora and fauna or areas of high concentration of biological diversity

☐ Areas largely untouched by humans (wildlands)

☐ Areas of high concentration of population where further development could create significant environmental problems

☐ Areas of high concentration of industrial activity where further development could create significant environmental problems

☐ Areas with high quality resources for forestry, tourism, fishery, mining etc

☐ Other areas of local interest or sensitive locations – please provide details

(d) Have other alternative locations been considered?

☐ Yes ☐ No

If Yes, please attach summary of assessment and motives for choice of location.

Social impacts

8. * **Will the goods or project cause any of the following?**

- ☐ Resettlement of the local population
- ☐ Compulsory acquisition of land
- ☐ Displacement of, or damage to, existing industry or agriculture
- ☐ Job losses among the local population
- ☐ Damage to sites of cultural, historic, religious or scientific interest
- ☐ Impact on minority or vulnerable communities

Please provide details of any of these that apply.

- ☐ Other social drawbacks, losses, or disadvantages, please specify:

9. **Will the goods/services/project have any <u>beneficial</u> social impacts, please specify.**

Date:

Company:

…….
Signature

Section 2: Guidance notes to Section 1

Question 1

Give a brief description of the goods/services/project that you are supplying/investing in. *(Including contractual obligations, the stage reached in bidding/development, technical processes solutions and methods planned, the extent to which you are able to influence the design or specification of the goods/project and whether the goods/services/project relate to an extension or modification of an existing plant/project.)*

Guidance notes

- Describe the reason/market need for the project.
- Include quantitative information (productive capacity, main raw materials, energy consumptions)
- For extension or modification of existing plants, state both the existing size or capacity of the plat/project and the increase in size or capacity.

Question 3

(a) Will the goods/services that you are supplying/investing in or has the project/business been designed to meet recognised environmental standards? *(Indicate, where appropriate, the relevant standards for both the goods and the associated project)*

(b) ***If the project/business has been designed to meet any other environmental standards, please provide a copy of these.***

Guidance notes

NZECO evaluates and benchmarks the export transaction against a range of internationally recognised standards, e.g. European Union, World Bank, International Finance Corporation (IFC), etc. NZECO has copies of all the major international standards. If Host Country standards or some other standard is being used then please provide a copy of these.

Exports, which are below international standards, may be unacceptable to NZECO.

If there are no applicable or appropriate environmental standards please provide an explanation of why this is the case.

Question 5

Will the goods/services/project have any actual or potential negative environmental impacts in any of the following areas?

Guidance notes

Identify all areas of impact and provide sufficient information. NZECO will assess the information provided and determine whether or not environmental impacts resulting from normal operations, including any risk scenarios linked to the operations, are significant. Please also enclose information on any mitigating measures and relevant reports.

Many projects will have impacts in several of the areas listed. Early identification of these and provision of relevant information will facilitate NZECO's analysis of your application. The following questions may assist in determining if environmental impacts occur or not. The questions also indicate the type and detail of information required.

Water pollution or extraction

Is the consumption of water or disposal of liquid effluent likely to impact on other users of this supply? How much water will be required and where will it come from? How much effluent will be generated? What are the contaminants of the effluent and their concentrations?

Damage to wildlife or habitats

Is a change of land use necessary e.g. agricultural to industrial? Does the project involve the clearance of land? What is the present use of land? Are any compensating features planned e.g. provision of greenbelt areas?

Local air quality

Do the goods or project produce dust or fumes? What are the sources and levels of emissions? What mitigation systems will be installed? How efficient is any filtration equipment?

Climate change (greenhouse effect)

How much CO_2 will be produced per energy unit? What quantities of other greenhouse gases will be produced? (Other greenhouse gases are methane, nitrous oxide, sulphahexafluoride, hydrofluorocarbons and perfluorocarbons, the last two are also ozone depleters.)

Acid Deposition

What fuel is proposed to be used and what is its sulphur content? Has low sulphur or biofuel been considered? Is flue gas desulphurisation equipment proposed? If so, provide details on process and efficiency.

Ozone depletion

Are CFCs or HCFCs used in refrigeration or air-conditioning systems? Have alternatives been considered? Are any other ozone depleters used? Details of the Montreal Protocol including a list of ozone depleters can be found on the United Nations Environment Programme (UNEP) website at: http://www.unep.ch/ozone/mont_t.htm

Use of hazardous substances

What hazardous substances are used in the goods and project, e.g. are polychlorinated biphenyls (PCBs) present in transformers or capacitors, is mercury, cadmium or benzene used in the processes? Give details on any hazardous substances including estimated yearly consumption.

Production of damaging or toxic waste

What quantities of solid waste and secondary products are produced? What damaging or toxic substances are contained in the waste and in what quantities are they presented? What mitigation procedures have been implemented to minimise production of waste, please describe. What measures have been made for safe storage and/or disposal of waste?

Noise pollution

What noise levels are expected from the process/project? Please give figures in A-weighted decibels dB(a). Also give information on distance to closest residential area. Have any mitigation measures been made to reduce noise, please give details?

Degradation of land (e.g. soil contamination, erosion, salinisation)

What steps will be taken to ensure that land degradation is avoided, e.g. bunding of tanks and other measures to prevent spillage? What plans are there or site restoration after the project has closed?

Other adverse environmental impacts, specify:

Provide details on any other adverse environmental impacts you are aware of.

If there are actual or potential environmental impacts according to above, please give details (e.g. consultants' reports, argument for choice of technique, planned mitigating factors, etc.).

Is there a plan for monitoring potential negative environmental impacts?

Monitoring of potential or actual environmental impacts is an important part of NZECO's project monitoring. When an environmental monitoring plan is developed for the project, please enclose.

Question 6

Will the goods/services/project have any actual or potential positive environmental impacts?

Guidance notes

Give information about positive environmental impacts the services/goods/project will lead to, quantify when possible. Positive environmental impacts could include reduction in pollution, technology transfer, job opportunities, skills transfer and training of personnel and local entrepreneurs.

Question 8

Will the goods or project cause any of the following?

Guidance notes

If the project/goods will cause an impact on the areas enumerated below, please provide sufficient information. NZECO will assess the information provided and determine whether or not impacts are significant. The questions below may assist in determining if impacts occur or not. The questions also indicate the type and detail of information required.

Resettlement of the local population

Are people being moved from or excluded from the site of the project, particularly on an involuntary basis? How many are involved? How long have they lived or worked on the site? What is the source of this data and how reliable is it?

Compulsory acquisition of land

Is land being acquired by or on behalf of the project company through compulsory purchase systems? How and by whom are the assets and resources base being valued? Are current inhabitants/users being offered alternative land or cash or both?

Displacement of, or damage to, existing industry or agriculture

Are alternative jobs including appropriate training being offered? What groups of the society have been consulted?

Job losses among the local population

Are job losses expected to arise as a result of the project? What opportunities for re-employment or re-training are being provided?

Damage to sites of cultural, historic, religious or scientific interest

Does the project affect important sites? Is the site near to a recognised World Heritage site? Is the site situated on or near to a recognised site of special scientific interest?

Impact on minority or vulnerable communities

Does the project have a disproportionate effect on national, ethnic or religious minority communities or other vulnerable groups in the country concerned?

Please provide details if any of the above apply.

Please specify other social drawbacks, losses, or disadvantages:

Question 9

Please specify if the goods/service/project has any beneficial social impact.

Guidance notes

Give information about any beneficial social impacts the services/goods/project will lead to and quantify when possible. Beneficial impacts could include job opportunities, better (more) schools for children, improved healthcare. Please enclose relevant information.

ANNEX 1

Examples of A projects

The following illustrative list, which is non-exhaustive, is largely based on the EBRD Environmental Policy and Procedures. The list applies to ”greenfield” projects or major extension or transformation-conversion operations in the categories listed below.

1. Crude oil refineries (excluding undertakings manufacturing only lubricants from crude oil) and installations for the gasification and liquefaction of 500 tonnes or more of coal or bituminous shale per day.
2. Thermal power stations and other combustion installations with a heat output of 300 megawatts or more and nuclear power stations and other nuclear reactors (except research installations for the production and conversion of fissionable and fertile materials, whose maximum power does not exceed 1 kilowatt continuous thermal load).
3. Installations designed for the production, or enrichment of nuclear fuels, the reprocessing, storage or final disposal of irradiated nuclear fuels, or for the storage, disposal or processing of radioactive waste.
4. Integrated works for the initial smelting of cast-iron and steel; installations for the production of non-ferrous crude metals from ore, concentrates or secondary raw materials by metallurgical, chemical or electrolytic processes.
5. Installations for the extraction of asbestos and for the processing and transformation of asbestos and products containing asbestos: for asbestos-cement products, with an annual production of more than 20,000 tonnes finished product; for friction material, with an annual production of more than 50,000 tonnes finished product; and for other asbestos utilisation of no more than 200 tonnes per year.
6. Integrated chemical installations, i.e. those installations for the manufacture on an industrial scale of substances using chemical conversion processes, in which several units are juxtaposed and are functionally linked to one another and which are for the production of: basic organic chemicals; basic inorganic chemicals; phosphorous-, nitrogen- or potassium-based fertilizers (simple or compound fertilizers); basic plant health products and of biocides; basic pharmaceutical products using a chemical or biological process; explosives.
7. Construction of motorways, express roads and lines for long-distance railway traffic and of airports with a basic runway length of 2,100 metres or more; construction of a new road of four or more lanes, or realignment and/or widening of an existing road so as to provide four or more lanes, where such new road, or realigned and/or widened section of road would be 10 km or more in length.
8. Pipelines, terminals, and associated facilities for the large-scale transport of gas, oil and chemicals.
9. Sea ports and also inland waterways and ports for inland-waterway traffic which permit the passage of vessels of over 1,350 tonnes; trading ports, piers for loading and unloading connected to land and outside ports (excluding ferry piers) which can take vessels of over 1,350 tonnes.
10. Waste-processing and disposal installations for the incineration, chemical treatment or landfill of hazardous or dangerous wastes.
11. Large dams and other impoundments designed for the holding back or permanent storage of water. [1)]
12. Groundwater abstraction activities or artificial ground water recharge schemes in cases where the annual volume of water to be abstracted or recharged amounts to 10 million cubic metres or more.
13. Industrial plants for the (a) production of pulp from timber or similar fibrous materials; (b) production of paper and board with a production capacity exceeding 200 air-dried metric tonnes per day.
14. Peat extraction, quarries and open-cast mining, and processing of metal ores or coal.
15. Extraction of petroleum and natural gas for commercial purpose.
16. Installation for storage of petroleum, petrochemical, or chemical products with a capacity of 200,000 tonnes or more.
17. Large-scale logging.
18. Municipal wastewater treatment plants with a capacity exceeding 150,000 population equivalent.
19. Municipal solid waste-processing and disposal facilities.
20. Large-scale tourism and retail development.
21. Construction of overhead electrical power lines.

22. Large-scale land reclamation.
23. Large-scale primary agriculture/silviculture involving intensification or conversion of natural habitats.
24. Plants for the tanning of hides and skins where the treatment capacity exceeds 12 tons of finished products per day.
25. Installations for the intensive rearing of poultry or pigs with more than: 40,000 places for poultry; 2,000 places for production pigs (over 30 kg); or 750 places for sows.
26. Projects which are planned to be carried out in sensitive locations or are likely to have a perceptible impact on such locations, even if the project category does not appear in the above list. Such sensitive locations include National Parks and other protected areas identified by national or international law, and other sensitive locations of international, national or regional importance, such as wetlands, forests with high biodiversity value, areas of archaeological or cultural significance, and areas of importance for indigenous peoples or other vulnerable groups.

1) As per definition of the International Commission on Large Dams (ICOLD) ICOLD defines a large dam as a dam with a height of 15m or more from the foundation. Dams that are between 5 and 15m high and have a reservoir volume of more than 3 million $m^3$are also classified as large dams.

ANNEX 2

Requirements for the content of an EIA report

The EIA report to be submitted to ECO in the case of category A projects should include the following. The list of contents follows, but is not directly quoted from, the World Bank Operational Policy 4.01, Annex B.

- *Executive Summary.* Should be non-technical and in an international language, preferably English. Description of significant environmental aspects and recommended actions to reduce environmental impact.
- *Policy, legal and administrative framework.* Description of applicable, relevant legislation, existing studies relating to the area concerned/relevant environmental issues, international conventions signed by the import country, any compensation issues, any unresolved disputes. The demarcation of the study should be described, as well as how an EIA has been carried out.
- *Project description.* Description of the project's purpose, location, size, technical design (including what environmental standards and benchmarks are applied), timetable, scope, overall ecological aspects, overall social aspects, need for offsite investments, e.g. access roads, water supply, raw material storage facilities, power plants and housing. Indication of the need for any resettlement or social development plan for the area concerned. A map showing the project area is normally included.
- *Baseline data*. Data to show the impact of the project on human health, the environment and conservation of soil and water as well as other resources. Account of baseline data before the project commences (for example physiological, biological and socio-economic) and any changes anticipated in these as a result of the project. The assessment should also pay regard to current and proposed development activities within the project area but not directly connected to the project. Data should be relevant to decisions about project location, design, operation and mitigatory measures.
- *Environmental Impacts*. An account of the project's likely positive and negative environmental consequences during planning/construction and operation, in quantitative terms to the greatest extent possible. Identification of mitigation measures and any residual negative impacts that cannot be mitigated as well as measures for environmental enhancement. Identification and estimation of the extent and quality of available data and key data gaps. Identification of uncertainties associated with predictions and topics that do not require further attention.
- *Analysis of alternatives*. Systematic comparison of feasible alternatives to the proposed project site, technology, design and operation, including the "without project" situation, i.e. consequences if the operations or measures are not carried out. The analysis should include the environmental impacts of the alternatives, the feasibility of mitigating these impacts, their capital and recurrent costs, their suitability under local conditions and their institutional, training and monitoring requirements. For each of the alternatives, the environmental impacts should be quantified and economic values attached where feasible. Statement of the basis for selecting the particular project design proposed and justification of the recommended emission levels and approaches to pollution prevention or abatement.
- *Environmental Management Plan*. Description of measures to be taken during construction and operation to avoid adverse environmental impacts or, where this is not possible, reduce them to acceptable level, including the financing of the measures. Statement on how any resettlement of people is to be carried out, compensation plan etc. A description of local skills and resources for monitoring should also be given.
- *Consultation*. Description of how affected groups (local population, minority groups, regulatory agencies and local non-governmental organisations etc.) have been consulted, at what stage or stages, what documentation has been given to them, in what language and in what way.
- *Annexes:*
  a) Who has or have conducted the EIA (name and organisation).
  b) References (background reports and other sources).
  c) Minutes of meetings with stakeholders and record of what reactions, proposals and measures have been noted.
  d) Technical tables containing relevant baseline data.
  e) List of reports relating to the project (e.g. resettlement plans, development plans for indigenous population).