

## CHECKLIST

### For reporting according to Regulation (EU) 1233/2011

#### **I. Reporting country information**

Reporting country	Czech Republic
Submission date	July 2021
Reporting institution (government department, ECA)	Exportní garanční a pojišťovací společnost, a.s. Export Guarantee and Insurance Corporation (EGAP) ***** Česká exportní banka, a.s. Czech Export Bank (CEB)

#### **II. Reporting country legal and policy information**

Mandate/legal status of ECA	<ul style="list-style-type: none"><li>• EGAP is an insurance company having a legal form of a joint-stock company fully owned by the Czech state.</li><li>• CEB is a bank having a legal form of a joint-stock company, owned by the Czech state (84% directly and 16% through EGAP).</li></ul> Legal mandate for ECA activities is based on Act No. 58/1995 Coll. of 14 March 1995 on Insurance and Financing of Exports with State Support and on Supplement to Act No. 166/1993 Coll., on the Supreme Audit Office, as amended. EGAP as an insurance company is also subject to the Act on Insurance and similarly CEB as a bank is subject to the Act on Banks.
Officially supported export credit programs (in the sense of Article 5 of the OECD Arrangement) during reporting period	EGAP provides following insurance products according to the OECD Arrangement Article 5: <ul style="list-style-type: none"><li>• Insurance of a Medium- and Long-Term Export Supplier Credit</li><li>• Insurance of a Medium- and Long-Term Export Supplier Credit Financed by a Bank</li><li>• Insurance of an Export Buyer Credit</li></ul> ***** CEB provides following export credits according to the OECD Arrangement Article 5: <ul style="list-style-type: none"><li>• Supplier credits;</li><li>• Direct and indirect buyer credits;</li><li>• Bank Guarantees</li></ul>
Annual reports available on reporting year	The annual report of EGAP in Czech and English is publicly available at: <a href="https://www.egap.cz/cs/vyrocní-zpravy">https://www.egap.cz/cs/vyrocní-zpravy</a> <a href="https://www.egap.cz/en/annual-reports">https://www.egap.cz/en/annual-reports</a> ***** The annual report of CEB in Czech and English is publicly available at: <a href="https://www.ceb.cz/kdo-jsme/povinne-zverejnovani-informace/vyrocní-zpravy/">https://www.ceb.cz/kdo-jsme/povinne-zverejnovani-informace/vyrocní-zpravy/</a> <a href="https://www.ceb.cz/en/about-us/mandatory-disclosure-of-information/annual-reports/">https://www.ceb.cz/en/about-us/mandatory-disclosure-of-information/annual-reports/</a>

### III. Information on the reporting Member State's Export Credit policies and activities according to the OECD Arrangement

<p><b>General presentation</b> of the reporting MS' policies on export credits, including all information that can help the Commission in carrying out its evaluation regarding the compliance of the Export Credit Agencies with EU objectives and obligations (in the sense of Article 3, Annex 1 of EU Regulation 1233/2011).</p>	<p>Both EGAP and CEB aim to contribute to environmental and social sustainability. EGAP and CEB take on transactions where environmental and social factors comply with international standards.</p> <p>Both EGAP and CEB are bound by the framework of international rules in the area of the officially supported export credits, vested primarily in the Arrangement on Officially Supported Export Credits (OECD Arrangement), which has been transposed into EU legislation in the form of legally binding EU Regulation 1233/2011 of the European Parliament and of the Council.</p>
<p><b>Special questions</b> on the following topics:</p> <ol style="list-style-type: none"> <li>1) Environment</li> <li>2) Climate Change</li> <li>3) Social and Human Rights</li> <li>4) Anti-Bribery Measures</li> <li>5) Sustainable Lending Practices</li> </ol>	<p>xxxxxxx</p>
<p><i>1) Environment:</i></p>	
<p>a. Do you apply the OECD Recommendation of the Council on Common Approaches for Officially Supported Export Credits, Environmental and Social Due Diligence (ESDDR)?</p> <p>Please describe, in a succinct and meaningful way, the assessment process, notably as regards the screening and classification of projects, environmental reviews, transparency, monitoring and reporting.</p>	<p>Yes, both EGAP and CEB are fully compliant with and apply the current version of the OECD Council document "Recommendation of the OECD Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence".</p> <p>The Recommendation on Common Approaches has been also transposed into binding internal rules in this area in both EGAP and CEB as well. All procedures, either within EGAP or CEB, have to be in compliance with the effective international rules in this field through their internal regulations.</p>
<p>b. How is the environmental due diligence incorporated in the decision-making process of your ECA and reported?</p>	<p>According to the Recommendation on Common Approaches, both EGAP and CEB, perform screening of all applications with a repayment term of two years or more, and also if the exports are destined to identified locations that are in or near sensitive areas, and if there might be a high likelihood of severe project-related human rights impacts occurring.</p> <p>Supported projects with considerable environmental impact (Category A and B</p>

	<p>projects) are, in compliance with the Recommendation, on regular basis reported to the OECD following their international transparency and reporting obligations. Relevant information on Category A and B projects is also published on the website of EGAP.</p>
<p>c. Which policies has your ECA adopted with the aim to review environmental impacts associated with the applications in order to take decision on provision / refusal of official support for a project? In particular, if applicable and depending on the nature of the project, please confirm that your ECA reviews the following key environmental factors of the projects:</p> <ul style="list-style-type: none"> <li>• air emissions, including greenhouse gases emissions, and ambient air quality</li> <li>• climate change considerations</li> <li>• noise</li> <li>• waste water and ambient water quality</li> <li>• water conservations</li> <li>• energy conservation</li> <li>• consumption of raw materials</li> <li>• hazardous material management and safety</li> <li>• waste management</li> <li>• contaminated land</li> <li>• ecosystem services</li> <li>• biodiversity issues, e.g. modified, natural or critical habitats</li> <li>• sustainable management of living natural resources</li> <li>• emergency preparedness and response requirements.</li> </ul>	<p>EGAP complies with the Recommendation on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence.</p> <p>EGAP reviews all key environmental factors related to the supported projects of Category A and B.</p> <p>CEB applies the same rules in case the transaction is not insured by EGAP.</p>
<p>d. During the reporting period relevant year - 2020:</p>	
<ul style="list-style-type: none"> <li>• All applications for officially supported export credit transactions according to the OECD Arrangement were screened by your ECA with the aim to identify whether an environmental and/or social review should be carried out.</li> </ul>	<p>Yes.</p>
<ul style="list-style-type: none"> <li>• Environmental and Social Impact Assessment (ESIA) was carried out in accordance with</li> </ul>	<p>Yes.</p>

<p>Art. 18 ESDDR with regard to all transactions for which your ECA made the final commitment in relevant year - 2020 and which were classified as having the potential to have significant adverse environmental and/or social impacts (Category A).</p>	
<ul style="list-style-type: none"> <li>The applicant for official support provided information that addressed the relevant environmental and social impacts of the project in accordance with Art. 19 ESDDR with regard to all transactions for which your ECA made the final commitment in relevant year - 2020 and which were classified as having potential environmental and/or social impacts less adverse than significant but not only minimal (Category B).</li> </ul>	<p>Yes.</p>
<ul style="list-style-type: none"> <li>Before taking the decisions to provide official support for transactions covered by the ESDDR in relevant year - 2020, your ECA evaluated the information resulting from screening and review of these transactions (i.e. including in particular ESIA and/or other information required for review of the Category A and B projects).</li> </ul>	<p>Yes.</p>
<ul style="list-style-type: none"> <li>Your ECA publicly disclosed information required pursuant to Art. 39 ESDDR (project name, location, description of project and details of where additional information, e.g. ESIA report or summary thereof may be obtained), as well as, in accordance with Art. 41 ESDDR, environmental and social information on Category A and Category B projects for which your ECA made a final commitment (incl. the type of information reviewed and the international standards applied). Indicate how this information can be accessed by the public</li> </ul>	<p>Yes.</p> <p>Environmental and social information on Category A and Category B projects:  <a href="https://www.egap.cz/en/information-projects-classified-under-categories-and-b-realized-insurance-egap">https://www.egap.cz/en/information-projects-classified-under-categories-and-b-realized-insurance-egap</a></p>

(e.g. link to relevant webpages).	
e. On what sources of information do you rely during the review of environmental impacts of the application and in the monitoring process during the project implementation? How is the information provided by the applicant verified?	EGAP/CEB relies on EIA/ESIA report provided by the exporter. The information in EIA/ESIA report is verified by an external environmental adviser.
f. Does your ECA have procedures in place to ensure that the environmental standards applied for the final commitment for official support of a project are respected after final commitment? What happens when the projects does not comply with the environmental conditions of your ECA for the official support?	<p>EGAP requires that during the implementation of the project, the exporter is obliged to ensure compliance with the conditions, limits and recommendations specified in the EIA/ESIA report and in the set out monitoring plan. The monitoring obligations prevail until the termination of the insurance under the insurance contract.</p> <p>CEB requires that during the implementation of the project, the exporter is obliged to ensure compliance with the conditions, limits and recommendations specified in the EIA/ESIA report and in the set out monitoring plan. The monitoring obligations prevail until the termination of the financing under the credit agreement.</p> <p>In case of non-compliance with the environmental protection conditions contained in the EIA/ESIA report, EGAP/CEB requires the exporter to rectify the situation. If no remedy is found, EGAP penalizes the exporter in the form of reduction of indemnification payment or application of recourse. CEB is entitled to suspend the provision of credit.</p>
g. Did your ECA detect non-compliance with the environmental conditions of official support by the ECA (including projects for which final commitment was made in preceding reporting periods)? What actions did you take to restore the compliance in accordance with the terms of the contract for official support?	No.
h. Other relevant information.	xxxxxxx
<p>2) <i>Climate change</i></p> <p>(This Section adds certain specific questions related to climate in addition to climate issues already covered by the above Section Environment.)</p>	
a) During the reporting period, did your ECA provide official support	No.

for projects under the Sector Understanding for Coal-Fired Electricity Generation Projects?	
b) If so, did you ensure compatibility of the supported projects with the recipient's country climate strategy? Please describe, in a succinct and meaningful way, how this was done.	xxxxxxx
c) Has your ECA (or, if applicable, any other state agency responsible for official support according to the OECD Arrangement) adopted, or is it envisaging to adopt, a specific policy to contribute to your country obligation to meet the commitments of the Paris Climate Agreement? If yes, please specify.	No.
d) Other relevant information.	xxxxxxx
3) <i>Social and human rights:</i>	
a) Does your ECA review the social and human rights related impacts of the project referenced in the Recommendation on Common Approaches on Officially Supported Export Credits and Environmental and Social Due Diligence?  Please describe, in a succinct and meaningful way, the assessment process.	Yes, both EGAP and CEB are fully compliant with and apply the current version of the OECD Council document "Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence". It includes also all relevant Human Rights related aspects and social impacts.  The assessment of social and human rights related to the project is a part of EIA/ESIA report.
b) How is the social and human rights related due diligence incorporated in the decision-making process of your ECA and reported?	The assessment of social and human rights related to the project is reviewed by EGAP and the conditions of acceptability of the project's impact on the social and human rights set out in the summary assessment for the project are reflected in the insurance contract with the exporter or financing bank. The assessment of social and human rights related to the project is reviewed by CEB and the conditions of acceptability of the project's impact on the social and human rights set out in the summary assessment for the project are reflected in the credit agreement with the exporter.
c) Which policies has your ECA adopted with the aim to review human rights related and social impacts associated with the applications in order to take decision on provision / refusal of	EGAP complies with the Recommendation on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence. EGAP reviews all key human rights factors and social factors related to the supported projects

<p>official support for a project? In particular, if applicable and depending on the nature of the project, please confirm that your ECA reviews the following key human rights related and social factors of the projects:</p> <ul style="list-style-type: none"> <li>• land acquisition</li> <li>• physical displacement</li> <li>• economic displacement</li> <li>• affected communities, including informed consultation and participation process, grievance mechanism etc.</li> <li>• indigenous people, including, free, prior and informed consent process</li> <li>• physical integrity and security of person</li> <li>• vulnerable groups</li> <li>• community exposure to disease</li> <li>• gender issues</li> <li>• child labour</li> <li>• forced labour</li> <li>• discrimination</li> <li>• workers' accommodation</li> <li>• use of security personnel</li> <li>• occupational health and safety</li> <li>• freedom of association and collective bargaining</li> <li>• unfair contract</li> <li>• company grievance mechanism.</li> </ul>	<p>of Category A and B. CEB applies the same rules in case the transaction is not insured by EGAP.</p>
<p>d) On what sources of information do you rely during the review of social and human rights related impacts of the application and in the monitoring process during the project implementation? How is the information provided by the applicant verified?</p>	<p>EGAP/CEB relies on EIA/ESIA report provided by the exporter. The information in EIA/ESIA report is verified by an external environmental adviser.</p>
<p>e) Does your ECA have procedures in place to ensure that the standards relevant for the final commitment for official support of the project are respected after the final commitment? What happens when the project does not comply with the conditions of your ECA for the official support?</p>	<p>EGAP requires that during the implementation of the project, the exporter is obliged to ensure compliance with the conditions, limits and recommendations specified in the EIA/ESIA report and in the set out monitoring plan. The monitoring obligations prevail until the termination of the insurance under the insurance contract. CEB requires that during the implementation of the project, the exporter is obliged to ensure compliance with the conditions, limits and recommendations specified in the EIA/ESIA report and in the set out monitoring plan. The monitoring obligations prevail until the</p>

	<p>termination of the financing under the credit agreement.</p> <p>In case of non-compliance with the project related social and human rights assessment contained in the EIA/ESIA report, EGAP/CEB requires the exporter to rectify the situation. If no remedy is found, EGAP penalizes the exporter in the form of reduction of indemnification payment or application of recourse. CEB is entitled to suspend the provision of credit.</p>
f) Did your ECA detect non-compliance with the conditions of official support by the ECA in the reporting year? What actions did you take to restore the compliance in accordance with the terms of the contract for official support?	No
g) Does your ECA have a grievance mechanism in place through which local affected people/communities can address complaints regarding alleged human rights violations in the context of transactions supported by your ECA?	Yes
h) If yes, how many complaints have been filed in the reporting year?	None
i) If your ECA does not have a grievance mechanism in place, what venues are open for affected people/communities to register complaints?	xxxxxxx
j) Other relevant information.	xxxxxxx
<b>4) Anti-Bribery measures:</b>	
<p>a) Do you apply the OECD Recommendation on Bribery and Officially Supported Export Credits?</p> <p>Please describe, in a succinct and meaningful way, the assessment process.</p>	<p>Yes, both EGAP and CEB are fully compliant with and apply the current version of the OECD Council document “Recommendation on Bribery and Officially Supported Export Credits”.</p> <p>Recommendation on Bribery has been transposed into binding internal rules in this area in both EGAP and CEB as well. All procedures, either within EGAP or CEB, have to be in compliance with the effective international rules in this field through their internal regulation.</p> <p>EGAP has also implemented into its internal procedures a support tool (an online database) for prevention and evaluation of risks associated with bribery in international business transactions. This tool is used for standard due diligence within various stages of the works on the insurance transaction and also for the</p>



	enhanced due diligence. CEB included all the relevant debarment lists in its Customer Relationship Management System and where all the parties involved in the given transaction are screened.
b) Other relevant information.	xxxxxxx
5) <i>Sustainable Lending Practices:</i>	
a) Do you apply the OECD Recommendation on Sustainable Lending Practices and Officially Supported Export Credits?	Yes, both EGAP and CEB are fully compliant with and apply the current version of the OECD Council document “Recommendation on Sustainable Lending Practices and Officially Supported Exports Credits”.
b) More specifically, how do you assess debt sustainability and the long-term development prospects of lower-income countries in the context of concessional lending?  Please describe, in a succinct and meaningful way, on the assessment process according to b) above.	Both EGAP and CEB have to follow their internal guidelines, which are based on the Recommendation on Sustainable Lending Practices. As a part of the country risk assessment, EGAP takes into account the results of the most recent IMF/ World Bank country specific debt sustainability analyses (DSA) and IMF/WB’s debt limits table.  EGAP and CEB are not tied/ untied aid providers.
c) Other relevant information.	xxxxxxx

#### IV. Annual Activity Report data:

Explanatory note:

*“MS shall report, in accordance with their national legislative framework, on assets and liabilities, claims paid and recoveries, new commitments, exposures and premium charges.”*  
From Regulation 1233/2011, Annex 1.

Member States that have more than one ECA should do one single integrated report (reporting obligation is on the Member State as such, not the ECA). Where a MS offers at the same time different types of products (pure cover and direct lending), the reporting under chapter IV should however differentiate.

<b>A) In case of official support is provided in the form of export credit guarantee or insurance (“pure cover”) in the sense of Art 5 a 1) OECD Arrangement:<sup>1</sup></b>	
Overview of assets 31-12-2020	
Overview of liabilities 31-12-2020	
Aggregate nominal risk exposure:	
• 01-01-2020	
• 31-12-2020	
a.) nominal risk exposure under insurance policies issued:	
• 01-01-2020	
• 31-12-2020	

<sup>1</sup> Member States not using EUR should report the figures in their national currency and in EUR.

b.) nominal risk exposure under promises and notices of cover:	
• 01-01-2020	
• 31-12-2020	
Premium Income 31-12-2020	
Recoveries 31-12-2020	
Claims paid 31-12-2020	
<b>B) In case official support is provided in the form of Official Financing Support in the sense of Article 5a2) OECD Arrangement:</b>	
Overview of assets	CZK 41,236 mil. (approx. EUR 1,571 mil.) Note: Total Assets of CEB
Overview of liabilities:	CZK 33,915 mil. (approx. EUR 1,292 mil.) Note: Total Liabilities of CEB
a) nominal value of officially supported loan portfolio	
• 01-01-2020	CZK 37,769 mil. (approx. EUR 1,486 mil.)
• 31-12-2020	CZK 30,644 mil. (approx. EUR 1,168 mil.)
b) total value of off balance commitments	
• 01-01-2020	CZK 3,373 mil. (approx. EUR 132.8 mil.)
• 31-12-2020	CZK 3,253 mil. (approx. EUR 124.0 mil.)
Interest received 31-12-2020	CZK 1,265 mil. (approx. EUR 48.2 mil.)
Annual profit/loss 31-12-2020	CZK 163.4 mil. (approx. EUR 6.2 mil.)

#### V. Contingent liabilities

Where contingent liabilities might arise from officially supported export credit activities, those activities shall be reported:	Bank Guarantees issued and reported under total off-balance commitments: CZK 1,742 mil. (approx. EUR 66.4 mil.) <i>Please note: these data do <u>not</u> relate to any specific industry sector.</i>
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