

Public

Environmental and Social Data Sheet

Overview

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| Project Name: | PREDIREC ENR 2 |
| Project Number: | 2019-0832 |
| Country: | France, regional – EU and EFTA countries |
| Project Description: | Fund providing junior debt to developers of small and medium sized RE projects, primarily in the EU. |
| EIA required: | Multi scheme project. Depending on the technical characteristics of the investments financed under the loan, sub-projects may be subject to an EIA. |
| Project included in Carbon Footprint Exercise ¹ : | no |

Environmental and Social Assessment

Environmental Assessment

The proposed operation concerns an investment up to EUR 75m in Predirec EnR 2 (“EnR 2”, or the “Fund”), a EUR 300m debt fund offering junior debt to small and mid-sized Renewable Energy (“RE”) developers and Independent Power Producers. The latter will use the funding to invest in the development and construction of new RE projects, mainly solar PV and wind projects. Predirec ENR 2 targets two objectives in its strategy to support the energy transition, the first one to support renewable energy asset developers and producers in Europe for up to 80% of the Fund’s total commitments, and the second one in other sectors such as energy efficiency.

The operation would contribute to EU energy objectives by supporting investments in renewable energy generation capacity. The investments will generate environmental benefits, in terms of reduction of air pollutants and GHG emissions. Some of the Fund’s underlying investments may fall under Annex II of the EIA Directive 2014/52/EU amending the EIA Directive 2011/92/EU. In these cases, the Bank requires the Fund manager to ensure investee companies act according to the provisions of the aforementioned Directive as transposed into national law. Should the relevant competent authority screen in an investment project, the Fund manager shall deliver to the Bank a copy of the Non-Technical Summary (NTS) and EIA documents, or provide a website link to the location where the EIA is published. If a project is screened out then, according to the EIA Directive, this should also be made public, stating the reasons for not requiring such an assessment.

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO2e/year absolute (gross) or 20,000 tonnes CO2e/year relative (net) – both increases and savings.

Luxembourg, 11.06.2020

The legal documentation to be concluded between the Fund and the Bank shall include an obligation on the Fund to ensure that all projects are in compliance with national and European legislation, as well as the Bank's Environmental and Social standards (where applicable).

The Fund will contribute to the development of renewable energy projects, reducing CO₂ emissions and increasing the share of RE in the energy mix. The Fund will support an estimated 1,656 MWp of new renewable energy capacity with an annual production of around 2,506 GWh and avoided CO₂ emissions of 601 tCO₂-eq.

Conclusions and Recommendations

During appraisal it has been verified that the Fund Manager has fully understood the Bank's E&S requirements and it is willing and capable to fully implement them. In order to strengthen the coordination and accountability aspects the Fund has designated a responsible environmental expert, who will oversee all the environmental and social aspects of the investments.

The following loan disbursement conditions and undertakings will be included in the legal documentation:

- The legal documentation to be concluded between the Fund and the Bank shall include an obligation on the Fund to ensure that all projects comply with national and European legislation (where applicable), as well as the Bank's Environmental and Social standards.
- The Fund Manager will develop and maintain organisational capacity and competency for implementing the ESMS with clearly defined roles and responsibilities.
- The Fund Manager will ensure regular (not less than annual) reporting to the EIB on the implementation of its ESMS.
- Where relevant, the Fund Manager shall obtain written confirmation from the competent authority that the investment will not have any significant negative impact on sites of nature conservation importance, including sites protected under the "Habitats" and "Birds" Directives (92/43/EEC and 79/409/EEC as amended by the 2009/147/EC respectively) and the associated Natura 2000 network.

In view of the above findings and conditions, the operation is deemed satisfactory from an environmental and social compliance perspective.