



European Investment Bank (EIB)

Luxembourg, 22nd December 2020

Environmental and Social Completion Sheet (ESCS)

Overview

Project Name:	<i>KLM REGIONAL FLEET RENEWAL PROGRAMME</i>
Project Number:	<i>2016-0704</i>
Country:	<i>Netherlands</i>
Project Description:	<i>The project consists of the renewal of the promoter's regional fleet involving the acquisition of 19 Embraer E175 aircraft to replace the current Fokker 70 fleet that has reached the end of its economic life. The new aircraft will be based in Amsterdam's Schiphol Airport and will be used on regional destinations in Europe. The project also includes the new fleet's initial batch of spare parts and spare engines.</i>

Summary of Environmental and Social Assessment at Completion

EIB notes the following key Environmental and Social outcomes at Project Completion.

The project did not require an environmental impact assessment, as it did not fall under either Annex I or Annex II of the EU EIA Directive.

The promoter has confirmed that the fuel consumption performance of the aircraft has been as specified by the manufacturer and therefore as assessed at the time of appraisal.

The airline received the 17 firm-order Embraer 175 aircraft between March 2016 and April 2018. The options for 2 additional Embraer 175 aircraft were not exercised. The last Fokker 70 was phased out in 2017.

At the time of producing this ESCS, the world airline industry is severely hit by the Covid-19 pandemic, leading the grounding of much of its fleet. The airline industry reports that airline output in Europe in 2020 had fallen 67.5% on the nine months to September and that load factors had fallen by 14.7 percentage points to 70.8%.¹ Circumstances exogenous to the promoter have therefore forced the promoter to operate the aircraft during 2020 in conditions that are more constraining than normal. As mass Covid-19 vaccination is completed over 2021 and 2022, the aircraft are expected to resume full normal operation.

EIB notes the following key Environmental and Social aspects to be monitored during operations:

Not applicable.

Summary opinion of Environmental and Social aspects at completion:

EIB is of the opinion based on reports from the promoter, that the Project has been implemented in line with EIB Environmental and Social Standards, applicable at the time of appraisal.

¹ <https://www.iata.org/en/iata-repository/publications/economic-reports/air-passenger-monthly-analysis---september-2020/>