

Environmental and Social Data Sheet

Overview

Project Name:	CO-INVESTMENT OMNES WIND FINLAND
Project Number:	2021-0060
Country:	Finland
Project Description:	Co-investment into a wind energy platform in Finland
EIA required:	yes
Project included in Carbon Footprint Exercise ¹ :	no

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

Environmental and Social Assessment

The operation consists of a co-investment up to EUR 45 million into Ilmatar Energy ("IE"), a Finnish Independent Power Producer, which will develop, implement and operate onshore wind farms located in Finland.

It is presented under the EIB Co-Investment Programme as a co-investment with the fund Omnes Capenergie 4 (the "Fund", or "CE4"), in which the EIB also invested, approved in September 2019².

Ilmatar Energy was originally a company created by Omnes Capenergie 3, predecessor fund to CE4, in which the EIB also invested³, securing a joint development agreement with the Finnish developer Ilmatar, which was founded in 2011 and has a successful track-record in the country.

IE's immediate pipeline is comprised of nine wind farms in different stages of development, for a total capacity of ~820 MW, all located in Finland, to be implemented in the coming years.

Due to their technical characteristics, the plants are expected to fall under Annex II of Directive 2014/52/EU amending EIA Directive 2011/92/EU, leaving it to the national competent authority to determine according to Annex III of the said Directive whether an environmental impact assessment is required. In addition, they might include aerial power lines for the interconnection to the grid, which could be included in Annex I of the EIA Directive, being subject in all cases to an EIA process, together with the plants. In Finland, EIA is mandatory in all projects of over 10 wind turbines and/or 30 MW, with the rest dependent on the screening decision.

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

² OMNES CAPENERGIE 4 FUND (2019-0173), <https://www.eib.org/en/projects/pipelines/all/20190173>

³ CAPENERGIE 3 FUND (2015-0139), <https://www.eib.org/en/projects/pipelines/all/20150139>

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The Bank carried out an additional due diligence on the investee company, Ilmatar Energy, in order to assess its strategy, skillset and resources, as well as an initial assessment on the E&S risk of the portfolio, including a sample review of the environmental permitting carried out for certain plants.

Based on the initial assessment carried out, the results are satisfactory. IE possess a good understanding on the potential environmental impacts of this technology, and showed capacity to manage and execute these investments from an E&S point of view. Moreover, the EIA studies included an adequate identification of the individual and cumulative impacts of the projects, such as visual and noise impacts, impacts on biodiversity and ecosystems (mainly loss of habitats as well as collisions and disturbance of avifauna), the determination of their significance, as well as the measures to avoid, reduce, mitigate and compensate the impacts.

Finally, concerning public disclosure, it should be mentioned that in Finland, wind developers are obliged to carry two public events, organised by the Centre for Economic Development, Transport and the Environment. This process is deemed satisfactory and in line with the relevant EU Directives.

Conclusions and Recommendations

The investments targeted by the operation are expected to have limited social and environmental impact, provided that all mitigation measures, included in the EIA approval process, are implemented.

In order to strengthen the coordination and accountability aspects, IE will be required to designate an environmental responsible person, who will oversee all the environmental and social activity aspects. For Investments subject to an environmental impact assessment (EIA) the IE shall ensure that an EIA is carried out and that public consultation is undertaken in accordance with national legislation and the EIA Directive. IE shall collect and publish the EIA Study and the non-technical summary (NTS) of the EIA on the Manager's/Investee Company's website or in the IE's website, or if otherwise agreed with EIB, send the EIA study and the NTS to the EIB for publication. Upon request, IE will confirm to the EIB that the Investment incorporates relevant mitigating measures recommended as a result of the EIA.

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.

The Fund will, on an annual basis, prepare and submit to the Bank an aggregated E&S performance report.

Finally, IE will develop an ESMS to the satisfaction of the Bank, including the development of a communication mechanism for external stakeholders as part of its Grievance Redress Mechanism.

Under these conditions, the Operation is acceptable for EIB financing in E&S terms.