European Investment Bank

Luxembourg, 29.11.2024

Environmental and Social Data Sheet

Overview

Project Name:	CO-INVESTMENT CIP WIND ROMANIA
Project Number:	2024-0625
Country:	Romania
Project Description:	Co-investment alongside Copenhagen Infrastructure Partners Growth Markets Fund II into a 396 MW onshore wind project in Romania

EIA required: no

Project included in Carbon Footprint Exercise[1]: yes

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

Environmental and Social Assessment

Environmental Assessment

The project consists of the installation and operation of a 396 MW onshore wind park in Romania (the "Project" or Pestera II). It is a co-investment with the fund Copenhagen Infrastructure Growth Markets Fund II (the "Fund"), in which the EIB also invested. The Fund will develop, implement and operate the Project.

Pestera II is located in the Constanța region in South-East Romania. It comprises of 60 WTGs. The project scope includes the associated infrastructure for the interconnection of the wind park to the electricity grid. The project will be connected to the national grid through a 14 km underground transmission line at 400 kV to the STATIA 400kV MEDGIDIA SUD.

Due to its technical characteristics, the Project falls under Annex II of Directive 2011/92/EU (Environmental Impact Assessment Directive – "EIA Directive"), as amended by Directive 2014/52/EU, leaving it to the national competent authorities to determine according to criteria included in Annex III of said Directive whether an EIA process is required. The high voltage underground cables included in the scope of the Project do not fall under Annex I or Annex II of said Directive. Project Pestera II is expected to be built in a dedicated renewable energy area, according to local urban and spatial plans for which a Strategic Environmental Assessment has been carried out. According to national legislation, the project underwent a screening process, which concluded that EIA, Appropriate Assessment and Water Framework Assessment do not need to be carried out. The Screening Decision no. 171/05.05.2023 was issued by the Environmental Protection Agency of Constanta (EPA of Constanta).

The planned turbines – as well as ancillary facilities – are located outside Natura 2000 sites and outside ecological corridors of national importance. The nearest Natura 2000 sites are ROSCI0353 Pestera-Deleni, protected under the Habitats Directive (at a distance of ca. 280 m from the closest wind turbine), and ROSPA0001 Aliman-Adamclisi, protected under the Birds Directive (at a distance of ca. 3.34 km). The Project design complies with the

[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 CO_2e/year absolute (gross) or 20,000 tonnes CO_2e/year relative (net) – both increases and savings.

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requirements set in the screening decision of a minimum distance of 3 km of the wind farm from the ROSPA0001 Aliman-Adamclisi Natura 2000 site.

The Technical Memorandum, submitted to the competent authority EPA of Constanta for the purpose of the screening process, outlined potential environmental impacts, cumulative effects, and proposed mitigation measures tailored to the flora and fauna present at the project site. Amongst others, both bibliographic data and on-site observations were used to identify the presence or potential presence of bird species in and around the project area. According to the collision risk assessment, with the results presented in said document, the risk of birds' collision is deemed negligible. Monitoring of impacts will be done during construction and operation. Based on the above, the residual impact of the Project on the two Natura 2000 sites is deemed insignificant.

An Environmental Management and Monitoring Plan (EMP) will be developed and the following exemplifying potential mitigation measures will be implemented for the Project:

- Fencing: erect fencing around the construction site to prevent wildlife from entering and minimise the risk of collisions with vehicles.
- Wildlife corridors: if needed, establish wildlife corridors to allow safe passage for animals through or around the construction zone.
- Light pollution measures: minimise nighttime lighting and ensure it is directed downwards to avoid disturbing nocturnal wildlife.
- Species-specific measures: depending on the wildlife present, implement additional mitigation measures such as bat box installations or wildlife crossings.

In view of the above, impacts will be assessed as part of the implementation of the EMP. The selection of mitigation or compensation measures will depend on the extent of potential impacts.

EIB Paris Alignment for Counterparties (PATH) Framework

The project has been assessed for Paris alignment and is considered to be aligned both against low carbon and resilience goals and against the policies set out in the Climate Bank Roadmap and the Bank's Energy Lending Policy.

The project will be implemented by a Co-investment Vehicle, owned by Copenhagen Infrastructure Partners Growth Markets Fund II and the EIB. The Fund Manager is assessed to be in scope of and screened into the PATH framework. The Fund provides reporting and disclosures in line with SFDR, the Task Force on Climate-Related Financial Disclosures (TCFD) and the GRESB benchmark.

EIB Carbon Footprint Exercise

There are no direct emissions related to renewable wind energy generation.

In accordance with the Bank's current Carbon Footprint methodology, it is calculated that based on the avoidance of electricity generation from a combination of existing and new power plants in Romania (combined margin for intermittent electricity generation), the total relative effect of the Project is a net reduction in CO_2 equivalent emissions by 402 kt CO_2e/yr.

For the annual accounting purposes of the EIB Carbon Footprint, the project emissions will be prorated according to the EIB commitment that year, as a proportion of project cost.

Social Assessment, where applicable

The land under the wind park site has been leased from local landowners on a voluntary basis. All the cable routes are along the public roads and the authorisation to use/modernise/upgrade/place cables has been obtained. The EIB is not aware of expropriation, involuntary physical or economic displacement or resettlement that have been taking place or are planned for this Project.

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Public Consultation and Stakeholder Engagement

Stakeholders were informed of the project by the promoter through announcements in the local media, the town hall office and the environmental agency's website.

Other Environmental and Social Aspects

The Fund's team is deemed to have sufficient E&S capacity to implement the project. It has a solid organisational structure, which includes a diverse group of professionals to manage the technical, environmental, safety, health and social issues of the project. The Fund's occupational health and safety ("OHS") standards are deemed satisfactory. The team is complemented by external professionals, who have been hired for the due diligence, construction and operation monitoring stages. The Fund has developed an Environmental and Social Management System (ESMS) including an ESG policy, which provides management and staff with an objective method of establishing and maintaining good working practices. The ESMS, inter alia, describes the approach to identifying and managing E&S risks within investment and portfolio management processes and defines roles and responsibilities.

Although the environmental permit does not require or specify compulsory site monitoring during construction, the Fund plans to have an environmental specialist oversee all activities on-site and in the surrounding area to ensure minimal environmental impact. Additionally, the Fund is planning to develop an Environmental Management Plan (EMP), even though it is not mandated by national regulations. The EMP is intended to cover all environmental issues relevant to the works, ensure systematic management of potential risks, proactive identification of any unforeseen environmental issues, and implementation of mitigation measures throughout the construction phase. It also aligns with best practices, enhances stakeholder confidence, and ensures long-term environmental sustainability.

Conclusions and Recommendations

The Project is expected to have limited residual social and environmental impact, provided that all relevant mitigation measures are implemented. Following the review of the project due diligence carried out by the Fund, the requirements under national and EU E&S law, and in view of the conditions proposed below, the operation is considered acceptable for Bank financing from a social and environmental point of view:

- The Fund shall develop an Environmental Management Plan (EMP) according to the international best practices in the wind sector.
- The Fund shall hire a reputable third-party environmental specialist to ensure systematic management of potential risks, proactive identification of any unforeseen environmental issues, and implementation of mitigation measures throughout the construction phase and operation in accordance with the EMP. The outcome of this third-party monitoring shall be submitted to the EIB for review.
- The Fund shall provide the EIB with annual reporting on project related E&S aspects.