

Environmental and Social Data Sheet

Overview

Project Name:	BBVA RISK SHARING FOR SMES & CLIMATE ACTION
Project Number:	2023-0934
Country:	Spain
Project Description:	Delinked Risk Sharing operation to finance a new portfolio of eligible projects located in Spain with a Climate Action share of 50% (green mortgages and high efficient new buildings) by private individuals, home owner association, SMEs and Midcaps. The guarantee will be used to cover up to 50% of the credit risk associated with a Spanish bank's corporate and mid-cap loan portfolios.
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental Assessment

This operation focuses on Energy Efficiency projects (new construction of NZEB+ residential buildings) undertaken by private individuals, homeowner associations, SMEs, and MidCaps (real estate developers) in Spain.

The Project will follow the Bank's climate action and environmental sustainability guidelines and be in line with the relevant requirements from the Energy Lending Policy. The project will comply with the Energy Performance of Buildings Directive as transposed by national legislation. Moreover, all eligible cost categories related to the construction of new buildings and green mortgages will comply with the technical screening criteria for substantial contribution to climate change mitigation for new buildings (Article 7.1) as set out in the EU Taxonomy, Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021.

The operation will contribute to the EU energy and climate objectives by supporting investments in energy efficiency and by supporting the implementation of the EU Energy Performance of Buildings Directive (EPBD) and the Energy Efficiency Directive (EED).

Spain, as an EU Member State, has harmonised its environmental legislation with the relevant EU Directives: EIA Directive 2014/52/EU amending 2011/92/EU, SEA Directive 2001/42/EC, Habitats Directive 92/43/EEC, Birds Directive 2009/147/EC, and with the EU Energy Performance of Buildings Directive (2018/844/EU). Given their scale and nature, the sub-projects are not expected to require an Environmental Impact Assessment (EIA). High-risk projects (projects that require an environmental impact assessment) will not be eligible under this facility.

This operation intends to bring about environmental benefits by supporting projects that reduce energy consumption, increase the use of renewable energy and help to mitigate climate change. Due to the nature of the investment, very limited environmental impacts are expected. Temporary disturbance due to construction works (dust, noise) shall be mitigated through appropriate site organisation and construction management.

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.



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However, the cumulative impact of sub-projects could generate significant environmental benefits in terms of reduction in greenhouse gas emissions.

The capacity of the Financial Intermediary (FI) in line with the Bank's requirements and the national legislation has been appraised and is deemed satisfactory. The FI has an acceptable record and experience in financing new energy efficiency buildings in Spain.

EIB Paris Alignment for Counterparties (PATH) Framework

The counterparty is in scope of the PATH framework and screened-in for the low carbon aspects of PATH. BBVA's non-financial report is in line with TCFD recommendations. On this basis, BBVA meets the PATH requirements. No additional contractual undertakings will be required.

Social Assessment

The Project is expected to generate social benefits, in terms of supporting better health through better indoor air quality and supporting employment generation.

Conclusions and Recommendations

Given the location, size and nature of the project in built-up urban areas, any negative environmental impacts are expected to be mitigated. The financial intermediary is deemed to have sound environmental and social capabilities, commensurate to the risk of the operation.

The Financial Intermediary will be required to follow the contractual undertakings below:

- Projects requiring an environmental impact assessment or affecting nature conservation areas are not allowed under this facility.
- All projects will be compliant with the technical screening criteria for substantial contribution to climate change mitigation for new buildings (article 7.1) set out in the EU Taxonomy.

The project is therefore considered to be acceptable for Bank financing from an environmental and social perspective.