

Luxembourg, 15/05/2025

Environmental and Social Data Sheet

Overview

Project Name:	<i>ELECTRICITY INTEGRATION OF CENTRAL AMERICA LE</i>
Project Number:	<i>2024-0300</i>
Country:	<i>Regional - Central America</i>
Project Description:	<i>Regional Lending Envelope in line with the Global Gateway Investment Agenda (GGIA) aiming to overcome the infrastructure and environmental challenges that are limiting the development of the regional electricity market (MER-Mercado Eléctrico Regional).</i>
EIA required:	To be determined on a case-by-case basis for each sub-project
Project included in Carbon Footprint Exercise ¹ :	To be determined on a case-by-case basis for each sub-project

Environmental and Social Assessment

Environmental Assessment

This Regional Lending Envelope (LE) for Central America aims to provide financing to build and upgrade the transmission and distribution grids and support initiatives to enhance renewable generation.

The sub-projects to be financed under this Regional LE will be consistent with the Bank's Energy Lending Policy and EU priorities of supporting the countries of Central America and their regional institutions in modernising the existing regional electricity market. This will enable more consistent regional investment planning, boosting regional competitiveness, access to electricity and mitigating the negative effects of climate change, as well as expanding the share of variable renewable sources in regional electricity generation.

The sub-projects will need to be aligned with the Bank's Environmental and Social Sustainability Framework. Each sub-project under the Regional LE will be subject to the EIB's due diligence process, including environmental and social assessment. This will include the review of the ESG capacities of project promoters and implementing entities to ensure consistency with EIB E&S Standards. The sub-projects will also be assessed for Paris alignment and against the policies set out in the EIB Climate Bank Roadmap.

Several sub-projects to be financed under this Regional LE are expected to generate positive climate, environmental and social impacts such as: reduction of greenhouse gas (GHG) emissions through enhanced renewable generation, improved resilience to climate change, enhanced safe and reliable electricity access and employment opportunities.

EIB Paris Alignment for Counterparties (PATH) Framework

The Promoter of each sub-project supported by the Regional LE will be screened using the EIB's Paris Alignment for Counterparties (PATH) Framework and the EIB's standard Climate Risk Assessment methodology during individual sub-project appraisal. In addition, 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 CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.



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sub-projects' contribution to climate action and environmental sustainability objectives will also be assessed.

Social Assessment

The sub-projects to be financed under this Regional LE will need to comply with applicable labour and social legislation and with international conventions and charters. During the appraisal of each sub-project, the EIB will review all the relevant labour and social aspects, including the identification of its social benefits. The EIB will verify that the sub-projects are implemented in compliance with national legislation and with the Bank's Social Standards.

Conclusions and Recommendations

The EIB will ensure that all sub-projects under this Regional LE are acceptable for EIB financing from an environmental and social perspective. Environmental documentation, including an Environmental and Social Data Sheet (ESDS), will be prepared for each sub-project, in accordance with EIB appraisal procedures. All sub-projects will need to comply with the Bank's sector specific eligibility framework and with the EIB's E&S Standards. Specific project conditions will be determined for each sub-project at appraisal stage.

In view of the above findings and with appropriate conditions in place, the operation is acceptable for EIB financing in environmental and social terms.