



Luxembourg, MC decision 22.10.2025

Environmental and Social Data Sheet

Overview

Project Name:	CONAFIPS GREEN ENERGY TRANSITION ECUADOR
Project Number:	2023-0471
Country:	Ecuador
Project Description:	The project consists of a Multiple Beneficiary Intermediated Loan (MBIL) provided to Corporación Nacional de Finanzas Populares y Solidarias (CONAFIPS), a public financial corporation operating in Ecuador as a second-tier bank. This marks the first operation under the DESIREE programme in Ecuador.
EIA required:	No
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 present operation consists of a loan to CONAFIPS, the Financial Intermediary (FI), with two components, the first one (50% of the loan) dedicated to Gender, Migration and Indigenous Peoples, and the second one (50% of the loan) dedicated to Energy Efficiency. This Environmental and Social Assessment concerns the second component of the operation (Energy), which will finance the implementation of energy efficiency measures promoted by individual entrepreneurs and MSMEs (Micro and Small Enterprises) in Ecuador, as Final Beneficiaries. The sectors targeted include energy efficiency in different activities of the productive economy such as light industry, services and agriculture, with sub-project costs below 10,000 USD.

Environmental Assessment

The environmental and social impact of the energy efficiency investments targeted by the operation is likely to be limited, with no significant negative residual effects. They will generally generate positive environmental impacts, notably by reducing energy consumption, GHG emissions and thus help to mitigate climate change. However, some investments may carry social risks by association, for example on labour standards in MSMEs. Some of the investments may be characterised by a footprint and may involve impacts on occupational health and safety, among others.

The Bank will require the FI to take all the requisite measures to ensure that the due diligence procedures carried out by Cooperatives, first-floor financial intermediaries, and the Final Beneficiaries for the sub-projects receiving Bank financing will comply with the EIB List of Excluded activities, national E&S legislation and the EIB Environmental and Social Standards. The investments shall be carried out in accordance with the basic principles of EU Directives 2014/52/EU (Environmental Impact Assessment); 2012/27/EU (Energy Efficiency); including compliance with Best-Available-Technique (BAT), where appropriate. The entire portfolio of this

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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operation is expected to be in line with the EIB Paris Alignment requirements.

Social Assessment

The FI will be required to undertake reasonable efforts to ensure that the sub-projects which it finances are screened for any labour issues in the solar PV supply chain, and will endeavour where possible to cascade down similar requirements in its finance contracts. In line with this, the FI and/or the Cooperatives, on a best effort basis, will require from the Final Beneficiaries, where practically achievable, certificates from suppliers certifying no violations of labour rights for the production of solar PV panels.

Other Environmental and Social Aspects

The main Environmental, Climate and Social (ECS) risks and impacts of this operation relate to the ability of the FI to conduct adequate due diligence and monitoring to identify and manage the ECS risks associated with its investments in line with the EIB's requirements. The FI has successfully implemented lines of credit from several international lenders and International Financial Institutions (IFIs). The FI has an adequate ECS risk management system, a dedicated team, and ad-hoc experience, and is consequently considered capable to properly identify and manage ECS related risks of the underlying investments.

Conclusions and Recommendations

The Financial Intermediary will perform environmental and social due diligence, to ensure that potential risks and appropriate prevention, mitigation and compensation measures are identified through an environmental and social impact screening/assessment. Under these terms, it is considered that the procedures carried out for individual schemes, verified and monitored by the Financial Intermediary, will appropriately address environmental and social issues and ensure that the schemes to be financed under this operation meet the Bank's requirements.

In view of the above findings and conditions, the operation is deemed satisfactory from an environmental and social compliance perspective.