



06/05/2026

Environmental and Social Data Sheet

Overview

Project Name:	ISP ALBANIA LOAN FOR INNOVATIVE AND GREEN SMES
Project Number:	2025-0459
Country:	Albania
Project Description:	Blended loan facility to support access to finance and incentivize companies in Albania to innovate and invest in their green and digital transition
EIA required	Intermediated lending operation – requirement for EIA varies by Sub-project type/size/complexity.
Project included in Carbon Footprint Exercise ¹ :	No

Environmental and Social Assessment

The operation is an intermediated lending facility with Intesa Sanpaolo Bank Albania (ISPBA or the FI). It combines an EIB intermediated loan for the benefit of SMEs and Mid-Caps with the investment grant and technical assistance funded by the European Commission under the Western Balkans Investment Framework.

All Final Beneficiaries (SMEs and Mid-Caps) and their projects will be located in Albania. With EUR 20 million of EIB lending and EUR 2 million of investment grants, the operation is expected to support total financing of at least EUR 42 million, of which a minimum of 80% will be allocated to SMEs and up to 20% to Mid-Caps. The maximum size of individual Sub-projects is capped at EUR 25 million. The operation will be structured around two policy windows: (i) a minimum 70% (70%-100%) dedicated to Innovation & Digitalisation and (ii) up to 30% (0% - 30%) allocated to Climate Action & Environmental Sustainability, both in line with EIB eligibility criteria.

Environmental Assessment

Albania, as an EU candidate country, is in the process of aligning its environmental legislation with the EU acquis as part of the accession process². In terms of horizontal environment legislation, notably the Environmental Impact Assessment (EIA)³ and Strategic Environmental Assessment (SEA)⁴ Directives, the legislative framework is already largely aligned with the EU acquis, with further improvements needed to strengthen environmental monitoring and administrative capacity.

The Sub-projects to be financed by ISPBA with EIB's support and EU grant will include:

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.

² See Commission Staff Working Document, Albania 2025 report (Brussels, 4.11.2025 SWD(2025)750 final [fe9138b7-90fe-4277-a12c-3a03f6d1957f_en](https://data.consilium.europa.eu/doc/document/fe9138b7-90fe-4277-a12c-3a03f6d1957f/en)); and EUROPEAN UNION COMMON POSITION - Cluster 4: Green Agenda and Sustainable Connectivity, Brussels, 12 September 2025 <https://data.consilium.europa.eu/doc/document/AD-15-2025-INIT/en/pdf>

³ Directive 2011/92/EU, amended by 2014/52/EU

⁴ Directive 2001/42/EC



- **Innovation & Digitalisation:** Investments in (i) innovative products and processes, (ii) research, development and/or innovation, (iii) innovation-driven companies in line with the EIB's Innovation and Digitalisation eligibility criteria for intermediated financing. Where possible, and subject to compliance with the eligibility framework, further sub-sectors may also be supported, such as applied and generative artificial intelligence, cloud and edge computing, and biological engineering.
- **Climate Action & Environmental Sustainability (CA&ES):** Support for green investments in particular for agricultural and livestock improvements and potentially climate adaptation in line with the EIB's CA&ES eligibility criteria for intermediated financing.

At this stage of the appraisal, the specific nature, scope and geographic location of the envisaged Sub-projects remain undetermined. Based on their indicative size (below EUR 25 million), targeted sectors and eligible final beneficiaries (SMEs/MidCaps), some of the Sub-projects may fall under Annex II of the EIA Directive and corresponding national legislation. As such, they are not subject to mandatory EIA but shall be screened by the competent authority to determine whether an EIA is required, in accordance with applicable national and EU legislation.

For Sub-projects subject to EIA, the EIB will require the Financial Intermediary (FI) to provide all relevant documentation demonstrating compliance with applicable national and EU⁵ environmental legislation, including the required environmental permits and authorisations issued by the competent authorities. The FI shall further ensure that such Sub-projects are implemented in accordance with applicable national and EU legislation and the relevant EIB Environmental and Social (E&S) Standards. This includes ensuring effective public participation and consultation, as well as public disclosure of the EIA report, as appropriate.

While this is the first operation with ISPBA, the EIB has a well-established relationship with its parent company, Intesa Sanpaolo S.p.A and other subsidiaries of the Intesa Sanpaolo Groupe (Groupe). ISPBA may accordingly benefit, where relevant, from group-level expertise and systems. In addition, dedicated technical assistance (TA) is foreseen under the operation. Such support will ensure that the FI has adequate capacity to originate, assess and monitor eligible Sub-projects in line with EIB requirements.

ISPBA has implemented and maintains a comprehensive Environmental and Social Management System (ESMS) embedded across its business lines and aligned with the policies and standards of its parent company, Intesa Sanpaolo S.p.A, of which it is a wholly owned subsidiary. The Group's Environmental and Social Governance (ESG) Strategy and ESG risks-governance framework were approved by the Group's Board of Directors in 2022. This framework is supported by defined policies, procedures and guidelines, and enables the identification, assessment, and management of environmental, climate and social risks and the integration of sustainability considerations into credit and risk-management decision-making processes.

The Group has adopted a medium-to long-term ESG strategy based on a transversal and holistic approach to sustainability. This strategy is reflected, among others, in the integration of ESG factors into the Group-wide risk management framework, including the Risk Appetite Framework, which contains a dedicated section addressing ESG and Climate Change risks, as well as the integration of ESG

⁵ As an EU candidate country, Albania is committed to the gradual alignment of its national legislation with EU acquis under the Stabilisation and Association agreement (SAA). Negotiations for Cluster 4: Green Agenda and Sustainability Connectivity (Chapter 27 - Environment and Climate Change) were formally opened on 16 September 2025. Reference to EU law – specifically Directive 2011/92/EU (as amended by 2014/52/EU) - is made for compliance with the benchmarks of Chapter 27.



considerations into the credit framework. In this context, ISPBA has established an appropriate ESG governance structure and allocated internal resources to implement the Group ESG framework.

Climate Change Mitigation and Adaptation

Dedicated TA is foreseen to support ISPBA in the identification and selection of potential Sub-projects eligible under the CA&ES window, contributing to climate change mitigation, particularly in the agricultural sector, and to climate change adaptation, in line with EIB CA&ES eligibility criteria.

Potential climate change mitigation-related Sub-Projects may include, inter alia, agricultural investments contributing to greenhouse gas emission reductions and/or the improvement or maintenance of existing carbon pools, in line with EIB CA&ES eligibility criteria. Such investment may comprise improved manure management and storage systems, including the necessary agricultural machinery and equipment, aimed at reducing methane emissions, as well as sustainable soil and land-use management practices, supported by appropriate machinery and equipment, that enhance soil carbon sequestration.

Potential climate change adaptation-related Sub-projects may include, inter alia, investments in water-efficient irrigation systems and other water-management measures, climate-resilient crop varieties and crop diversification, soil-moisture conservation practices and improvements to livestock facilities reducing heat stress in line with Albania's National Adaptation Plan 2026-2036 (NAP) and EIB CA&ES eligibility criteria.

EIB Paris Alignment for Counterparties (PATH) Framework

The counterparty ISPBA, as part of the Intesa Sanpaolo Group, is in scope and screened into the PATH framework because it is considered significant. The counterparty already meets the requirements of the EIB PATH framework with its existing alignment plan.

Social Assessment

The Group's ESG risk-management framework, as implemented by ISPBA, integrates social risk considerations and is underpinned by policies aimed at improving working conditions and labour relations, promoting non-discrimination and diversity (including gender, age and disability), ensuring compliance with labour standards, occupational health and safety requirements and upholding respect for human rights.

Public Consultation and Stakeholder Engagement

Where an EIA is required for a given Sub-project, the process shall include public consultation in accordance with applicable national legislation. ISPBA has established both internal and external channels for raising concerns and lodging complaints, including those related to environmental, climate, and social matters. Employees may use internal reporting systems governed by the Bank's dedicated complaint-management procedure, while external stakeholders may submit concerns or complaints through various channels, including a dedicated webpage.

Conclusions and Recommendations

The ECS risks and impacts and mitigation measures for the Sub-projects to be financed with EIB resources will be assessed by the FI and, when relevant, will be reviewed by the EIB. ISPBA's ESMS is deemed adequate and it will be required to implement the following undertakings.



Undertakings:

- The FI shall maintain an adequate ESMS that integrates ECS considerations into the credit decision making processes in compliance with EIB's E&S requirements that include, inter alia: (i) compliance with applicable national and EU legislation; (ii) EIB eligibility criteria and list of excluded activities; and (iii) the applicable EIB E&S Standards.
- The FI shall not commit any EIB funds to Sub-Projects requiring an EIA report or biodiversity assessment under national legislation without receiving the development consent from the competent authority and the EIA Report made available to the public, such commitment being subject also to EIB's review and approval.
- The FI shall ensure access to the EIB upon request to all relevant documents of Sub-projects, including environmental and social studies and plans related to the EIA procedure, when applicable.
- Where relevant, the FI shall verify that Sub-projects obtain, maintain and comply with the requirements of environmental and social permits or authorisations provided by competent authorities, including the mitigating measures resulting from the EIA process.

Under these conditions, it is expected that the assessment, management and monitoring procedures to be carried out for individual Sub-projects will adequately address ECS risks and impacts and the operation is considered acceptable for the EIB in ECS terms.