

Environmental and Social Data Sheet

Overview

Project Name:	FEMIP SUSTAINABLE ENERGY FACILITY
Project Number:	2012-0684
Country:	Jordan and Morocco
Project Description:	FEMIP Sustainable Energy facility aims at providing credit lines to local Financial Intermediaries (FIs) in Jordan and Morocco to finance energy efficiency and small renewable energy investments in the industrial, SMEs, agribusiness, commercial services and residential sectors. The project, which is co-financed by the EBRD (Lead IFI), AFD and KfW, will contribute to the reduction of greenhouse gas emissions and the enhancement of security of supply.
EIA required:	Some of the sub-schemes may require an EIA
Project included in Carbon Footprint Exercise:	No

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

The environmental impact of most of the energy efficiency and renewable energy investments targeted by the operation (e.g EE in residential and commercial buildings, and in industry, small PV, onshore wind) is likely to be limited, with minor negative residual effects. They will generally generate positive environmental impacts, notably by reducing GHG emissions. Depending on their technical characteristics, some of the investments may be subject to mandatory EIA requirements. The Participating Financial Institutions (PFIs) will also be required to verify that none of the schemes submitted for part-financing by the Bank have a significant negative impact on any site of nature conservation importance. All schemes financed by the Bank will have to be compliant with national law and the Bank's environmental and social standards.

Given that pre-selected PFIs in Morocco and Jordan have limited capacity to appraise and monitor the investments in accordance with the Bank's standards, this operation will include the involvement of a technical consultant. The consultant's role will be (inter alia) to assist the PFIs in the environmental and social (including H&S and labour standards) due diligence process, and ultimately ensure the application of the Bank's environmental policy.

Under these terms, it is considered that the environmental & social procedures carried out for individual schemes will appropriately address environmental & social issues and ensure that the schemes to be part-financed under this operation meet the Bank's requirements.

Environmental and Social Assessment

The Bank's standard criteria and procedures for global loan operations will apply. All allocations will require ex-ante approval by the Bank prior to authorising the on-lending of funds to final beneficiaries. The Bank's requirements with regard to eligibility, including environmental criteria, will be incorporated in the finance contracts with the PFIs.

The main principles of environmental assessment practice enshrined in EU legislation, such as screening, scoping, independent review, public participation, disclosure and monitoring are also present in the Moroccan and Jordanian EIA systems. Prior to approving allocation

requests submitted by the financial intermediary, the PFI (supported by the technical consultant) will confirm that individual schemes comply with the Bank's environmental and social requirements and that an EIA has been carried out in all cases where the technical characteristics would require one under the relevant EU legislation.

The Financial Intermediaries will also be required to provide confirmation that none of the schemes submitted for part-financing by the Bank have a significant negative impact on any site of nature conservation importance, including sites protected under national legislation and international agreements to which Morocco and Jordan have subscribed.

EIB Carbon Footprint Exercise

The operation is not included. The EIB draft Carbon Footprint Methodologies only includes emissions from Investment Loans, and large allocations under Framework Loans, with emissions and investment costs above the methodology thresholds.