

Environmental and Social Data Sheet

Overview

Project Name:	France Biomasse Cogénération et Valorisation Déchets
Project Number:	2012-0084
Country:	France
Project Description:	The Project consists of a bank-intermediated framework loan for the financing of (i) environmentally-driven biomass cogeneration and heat-only projects and (ii) municipal solid waste treatment facilities/biogas projects, all of which in France.
EIA required:	Certain sub-projects may fall under Annex II of the EIA Directive and could be subject to EIA. The Financial Intermediaries will ensure compliance with the relevant Directives.
Project included in Carbon Footprint Exercise ¹ :	NO

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

The proposed operation supports the national programme to develop RE and EE projects and to develop the use of forest-based biomass contributing to the economic development and employment creation. In addition this operation will contribute to reducing and valorising the biodegradable municipal waste (BMW) fraction thus reducing waste going into landfills, thereby strengthening the economic value of waste.

The two selected Financial Intermediaries (FIs) are major French banks already known to the EIB and having experience with EIB's eligibility criteria and reporting requirements. Both banks have considerable experience in the appraisal and financing of RE and EE projects, biomass projects. In addition, they have some experience in the appraisal and financing of projects involving solid waste.

There is a serious potential risk of using compost from mechanical biological treatment plants processing mixed waste for agricultural purposes, especially where those plants are processing mixed household waste. Stringent operational procedures will have to be observed at the facility to prevent potential contamination of the compost streams at various stages in processing in order to avoid the return to land of known pathogens that could be injurious to livestock or humans in line with the new Animal By-Products Regulation (EC) No. 1069/2009. Moreover, the promoter shall put in place and/or strengthen separate collection scheme including green waste in their targeted region in order to improve the quality of the output material. These aspects will be included in the project appraisal by the FI, further reinforced by the review that the Bank will perform for all sub-projects involving solid waste.

If organic waste that falls under the Waste Framework Directive (2006/12/EC) is used as a feedstock, the FIs will ensure the sub-project's compliance with this Directive. In addition, the FIs shall ensure that for the waste projects, specific technology such as mechanical biological treatment Plant shall be part of a regional master plan which has been approved by the public Authorities. Related undertakings have been included.

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

Biomass for energy might compete with other off-taking industries and/or may raise sustainability concerns. Biomass availability will be assessed for each sizeable individual plant and its sustainable origin needs to be ensured. This has been integrated in the Bank's eligibility criteria.

Therefore, the environmental impact of most of the investments targeted by the operation is likely to be limited, with minor negative residual effects. The investments will generally generate positive environmental impacts, notably by reducing GHG emissions. Due to their technical characteristics, however, some of the investments may fall under Annex II of the EIA-Directive 1997/11/EC, leaving it to the competent authority to decide whether or not an EIA is required.

The FIs will ensure compliance with national and European environmental and nature regulations and facilitate the access by the public to environmentally relevant information in accordance with the Bank's Transparency Policy. In case any of the sub-projects qualify for a full EIA the FIs shall make the relevant NTS available to the Bank for publication. The criteria to be considered by the FIs concerning compliance with the Bank's environmental requirements will be defined in the finance contract, including on the sustainability of biomass feedstock. For sub-projects of any size involving solid waste the Bank's services will in addition perform an ex-ante review of the sub-project. The FIs will also be required to verify that none of the sub-projects submitted for part-financing by the Bank have a significant negative impact on any site of nature conservation importance (Habitat, Natura 2000). The FIs will be required to provide confirmation to this effect from the competent authority.

The environmental capacity of the FIs has been assessed and is deemed satisfactory provided the Bank's services will in addition perform an ex-ante review of all sub-projects involving solid waste. Under these terms, it is considered that any environmental issues of individual sub-projects will be appropriately assessed by the FIs and thereby ensure compliance with the Bank's standards.