

Environmental and Social Data Sheet

Overview

Project Name:	CHILE CCFL
Project Number:	2013-0413
Country:	CHILE
Project Description:	The Framework Loan will support renewable energy projects in Chile
EIA required:	Multi-scheme project - some of the individual schemes may require an EIA. For those which require an EIA the relevant Environmental Impact Study (EIS) will be published on the EIB Public Register once the project has been submitted to EIB for financing.
Project included in Carbon Footprint Exercise ¹ :	no (refer to footnote below)

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

The renewable energy investments targeted by the operation are wind, solar, sustainable biomass and hydropower projects. Depending on their technical characteristics, their location and impacts on local communities, some of the investments may be subject to a full mandatory EIA. The social and environmental impacts, risks and mitigation measures will be assessed individually by the financial intermediary and will be reviewed ex-ante by the Bank. The financial intermediary's capacity to assess environmental and social impacts and risks is deemed satisfactory; however, this being the first operation with the intermediary, EIB support in the allocation and monitoring process will be important. The Financial Intermediary will be required to verify that none of the schemes submitted will have a significant negative impact on any site of nature conservation or sites of important biodiversity or sensitive ecosystems. All schemes financed by the Bank will be compliant with national legislation and the Bank's environmental and social standards.

The loan will require the financial intermediary to provide, to the satisfaction of the Bank, all information necessary to confirm compliance with the Bank's eligibility criteria. Under these conditions, it is considered that the due diligence procedures carried out for individual schemes will appropriately address environmental and social issues and ensure that the schemes to be financed under this loan meet the Bank's requirements.

Environmental and Social Assessment

Environmental and Social Assessment

The main E&S impacts and risks are related to the FI's capacity to identify and manage the impacts of the targeted investments. The projects can have potential E&S risks that may result in community resettlement impacts including indigenous communities, impacts on local fauna and flora, occupational health and safety and impacts on cultural heritage. In order to mitigate these impacts, the FI has in place a robust and EIB compliant E&S management system (the FI has signed up to the Equator Principles and as such, it has the policies, procedures and systems in place to carry out the E&S due diligence on the individual allocations). The EIB recognises the FI's E&S performance as satisfactory, assisted via external E&S specialists.

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.

As part of the Framework Loan, the FI is expected (i) to strengthen its environmental and social management system (ESMS) to ensure consistency with EIB E&S Standards, (ii) continue to conduct E&S due diligence to identify the applicable E&S impacts and risks of each allocation and require corrective actions as needed to ensure that these are managed according to the EIB Standards and applicable laws, and (iii) implement the monitoring framework supervising the E&S impacts and risk of all allocations and report to EIB.

The Bank's eligibility criteria and procedures for framework loan operations will also 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 and social criteria, will be incorporated in the finance contract.

EIB Carbon Footprint Exercise

Framework Loan operations are not included in the EIB Carbon Footprint. However, large allocations under the Framework Loan that have GHE emissions above the methodology thresholds will be included. For the annual accounting purposes of the EIB Carbon Footprint, the project emissions from allocations with an investment cost above 50 MEUR will be prorated according to the EIB loan allocation amount approved in that year, as a proportion of project cost.