

Environmental and Social Data Sheet

Overview

Project Name:	SME AND GREEN ENERGY GL (SRI LANKA)
Project Number:	2012-0354
Country:	SRI LANKA
Project Description:	Global loan supporting investment projects that contribute to climate change mitigation.
EIA required:	Multi-scheme project - some of the individual schemes may require an EIA. For those who require an EIA the relevant Environmental Impact Study (EIS) will be published on EIB's website once the project has been submitted to EIB for financing.
Project included in Carbon Footprint Exercise ¹ :	NO (refer to details below)

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

The renewable energy and energy efficiency investments targeted by the 1/3 RE&EE tranche of the operation (e.g. onshore wind, solar, sustainable biomass, small hydro, and cogeneration) are expected to have negligible or limited negative social and environmental effects. Depending on their technical characteristics, some of the investments may be subject to mandatory EIA requirements. The social and environmental impacts and mitigation measures will be assessed individually based on sound banking practices by the financial intermediary and will be reviewed by the Bank. The Financial Intermediary will 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 be compliant with national law and the Bank's environmental and social standards.

Finance Contract Undertakings:

The AU and PFIs shall provide to the satisfaction of the Bank all information necessary to confirm compliance with the Bank's eligibility criteria, social and environmental principles and procurement guidelines in accordance with the requirements defined in the Finance Contract. Ex-ante approval of the Bank will be required for each investment allocation.

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 part-financed under this Loan meet the Bank's requirements.

Environmental and Social Assessment

The Bank's eligibility criteria and procedures for framework 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 contract.

The main principles of social and environmental assessment practice enshrined in EU legislation, such as screening, scoping, independent review, public participation, disclosure

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.

and monitoring are present in Sri Lankan legislation. However, prior to approving allocation requests submitted by the financial intermediary, the Bank will verify 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 Intermediary will 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 the Sri Lanka has subscribed.

EIB Carbon Footprint Exercise

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