

Environmental and Social Data Sheet

Overview

Project Name:	SaarLB – RE Project Finance Guarantee
Project Number:	2014-0768
Country:	Germany and France
Project Description:	<i>Risk sharing instrument to cover up to 50% of credit risk associated with a portfolio of renewable energy loans outstanding on SaarLB balance sheet. As a condition and with the resources made available by the guarantee, SaarLB will grant new loans to eligible renewable energy projects. The new loans will not be covered by the guarantee.</i>
EIA required:	Some of the schemes may require an EIA
Project included in Carbon Footprint Exercise ¹ :	no

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

The operation enables the financial intermediary (FI) to provide new loans to create a new portfolio of projects by sharing risk on an existing portfolio of projects. Both portfolios consist of onshore wind farms and land-based PV power plants that are all located in Germany or France. This Stage 1 appraisal covers only the new portfolio.

Onshore wind farms and PV farms fall under Annex II of the EU EIA Directive 2011/92/EU, leaving it to the competent authority to determine whether or not a full EIA is required. In all cases where a formal EIA is required by the competent authority, the FI shall collect the Environmental Impact Study (EIS) including Non-Technical Summary (NTS) of a scheme's EIA, retain on file a copy of the EIS, provide a digital copy of the NTS to the Bank for review and publication, and confirm that the scheme incorporates all mitigating measures recommended as a result of the EIA.

Should any scheme have a potentially significantly negative impact on an area forming part of the EU Natura 2000 network (falling under Habitats Directive 92/43/EEC or Birds Directive 79/409/EEC), then the Bank would require the FI and the borrower to act according to the provisions of the aforementioned directives as transposed in the national law. Schemes with significant negative impacts on areas with high biodiversity value, nature conservation areas, including bird migration routes shall not be eligible.

Conditions will be included in the legal documentation in order to ensure compliance of all schemes in the “new portfolio” with the relevant EU Directives and the Bank’s environmental requirements.

The Bank will further undertake due diligence on the existing portfolio at Stage 2, which will include reviewing compliance with the key principles of the Bank’s environmental and social standards.

It is therefore concluded that this operation is acceptable to the Bank from an environmental and social point of view.

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.

Environmental and Social Assessment

The capacity of the FI to ensure the compliance of allocations under the new portfolio with the relevant environmental requirements (including Bank's requirements) has been assessed as satisfactory.

Any inclusion of a scheme into the "new portfolio" will be subject to pre-approval by the Bank's Services. In addition, the Bank will screen environmental aspects prior to allocation approval for any scheme above 25 MEUR total project cost and/or requiring an EIA. Schemes can be excluded from the "new portfolio" by Bank Services at any time if new information makes this necessary.