

## Environmental and Social Data Sheet

### Overview

Project Name:	REWILDING EUROPE (NCFE)
Project Number:	2015-0607
Country:	Various EU countries (Bulgaria, Croatia, Germany, Greece, Italy, Norway, Poland, Portugal, Rumania, Sweden and possibly other EU countries in the future)
Project Description:	Loan to a specialist non-bank financial institution that will on lend to rural micro, small and medium sized pro-biodiversity businesses, which will collectively apply natural processes in land use and land management that in turn supports biodiversity and climate change adaptation.
EIA required:	Maybe required for future investments
Project included in Carbon Footprint Exercise <sup>1</sup> :	no

### Environmental and Social Assessment

#### Environmental Assessment

The project aims at strengthening natural processes and reviving socio-economic dynamics in rural areas across Europe. To this end the promoter has identified nine project areas located in Bulgaria, Croatia, Germany, Italy, Poland, Portugal, Romania and Sweden, in which they provide loans to small enterprises investing in commercial activities or businesses that generate economic or social benefits in ways that catalyse, support or achieve positive impacts on biodiversity and ecosystems and other environmental outcomes.

The project's ambition goes, however, beyond creating a one-time, temporary positive environmental and social impact in the selected project areas. It rather aims at identifying types of projects and business models that can positively support the management of natural areas and that are replicable in other areas and regions across Europe, and thus contribute to creating sustainable finance streams for managing Europe's natural habitats. This objective perfectly aligns with the objective of the Natural Capital Finance Facility (NCFE), i.e. to identify sustainable ways of financing and thus conserving and improving the state of Europe's habitats and biodiversity.

The activities in the selected project areas contribute to several targets of the EU Biodiversity Strategy and in particular to the implementation of the Birds (2009/147/EC) and the Habitats (92/43/EEC) Directives. The project contributes to maintaining existing or creating new habitats, some of those included in the Habitats Directive (Annex 1). The improvement of habitats also creates the pre-condition to catalyse the natural comeback of wildlife, as referred to in Annex II of the Habitats Directive and the development of sustainable numbers of bird species, as referred to in Annex I of the Birds Directive. All projects will comply with relevant national laws and EU directives.

<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tons CO<sub>2</sub>e/year relative (net) – both increases and savings.

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The project also contributes to the adequate management and conservation of Natura 2000 sites by currently including either totally or partially 40 Natura 2000 sites. In many of the project areas, the local project management aims at reconnecting fragmented habitat and natural corridors by buying or securing private land rights. This helps creating habitats that provide wildlife with the ability to roam freely between regions and use all of the resources they need to survive with reduced threats from human encroachment and conflict. The creation of natural corridors also facilitates the return of species that have been reduced or eliminated due to previous habitat fragmentation.

### **Social Assessment**

In addition to aiming at positive environmental impacts, the project also pursues positive socio-economic outcomes. Employment prospects in Europe's rural areas are often poor and these areas are usually becoming more and more dependent on subsidies. As a result, land abandonment is a common issue in Europe's remote rural areas. The project aims to counter this trend by identifying alternative ways of generating cash revenues in these areas and reviving the social and economic dynamics. This is mainly achieved by developing new nature and wildlife-centric economies

### **Public Consultation and Stakeholder Engagement**

The project promoter is in a constant dialogue with local stakeholders and works directly with the local communities on whose lives project activities may have an impact. Where conditions are created to support the natural comeback of wildlife and in particular larger mammals, the promoter has held targeted consultations and workshops to, for example, explain the benefits and opportunities to be gained from protecting and learning about large predators.

### **Other Environmental and Social Aspects**

Monitoring indicators to track progress on maintaining and increasing biodiversity will be established together with the promoter, both at the level of the portfolio and the individual project areas.

All investees will have to commit to contributing to the objectives of the EU's Biodiversity Strategy and the LIFE objectives.

## **Conclusions and Recommendations**

The project promoter will develop an Environmental and Social Management System (ESMS) to manage environmental risks and support the identification process of projects in line with the LIFE objectives. The ESMS must be to the satisfaction of the EIB and be incorporated in the governing documents of the organization.

With these conditions in place, the projects' core philosophy and the project activities are acceptable for financing in environmental and social terms. The project is expected to deliver net positive environmental and social impacts.