

Environmental and Social Data Sheet

Overview

Project Name:	Energy Efficiency Lebanon Global Loan
Project Number:	2010-0716
Country:	LEBANON
Project Description:	The proposed operation will support small scale investments in energy efficiency and renewable energies by private companies in Lebanon through financial intermediaries.

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 EIB's website once the project has been submitted to EIB for financing.
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Project included in Carbon Footprint Exercise ¹ :	NO (refer to details below)
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Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

The environmental impact of most of the energy efficiency and renewable energy investments targeted by the operation (e.g EE in buildings, small hydro, PV, biomass, onshore wind) is likely to be limited, with minor negative residual effects. They will generally generate positive environmental impacts, notably by reducing GHG emissions. Depending on their technical characteristics, some of the investments may be subject to mandatory EIA requirements. The Financial Intermediaries will also 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 have to be compliant with national law and the Bank's environmental and social standards.

The selected financial intermediaries have limited capacity to appraise and monitor the investments in accordance with the Bank's standards. In particular environmental and social assessments for renewable energies have never been carried out by the Financial Intermediaries in Lebanon due to a lack of RE projects, and are therefore very limited and deemed insufficient for the Bank. Therefore, within this operation, technical assistance will be provided to the Financial Intermediaries in order to select eligible projects.

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.

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 Bank's standard criteria and procedures for global 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 environmental assessment practice enshrined in EU legislation, such as screening, scoping, independent review, public participation, disclosure and monitoring are also present in the Lebanese EIA system. Prior to approving allocation requests submitted by the financial intermediary, the TA will confirm 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 Intermediaries will also 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 Lebanon has subscribed.

EIB Carbon Footprint Exercise

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