

Environmental and Social Data Sheet

Overview

Project Name: MEXICO CLIMATE ACTION FL - COAHUILA
 Project Number: 2015-0865
 Country: Mexico
 Project Description: *The project consists of a ca. 200 MW onshore wind farm, located near Saltillo, Coahuila, North-Eastern Mexico. It comprises the wind turbines, civil and electrical works, as well as interconnection facilities.*

EIA required: yes, mandatory by national legislation

Project included in Carbon Footprint Exercise¹: yes

(details for projects included are provided in section: “EIB Carbon Footprint Exercise”)

Environmental and Social Assessment

Environmental Assessment

This operation corresponds to an individual allocation of a framework loan, with which the Bank provides funding to the Mexican public bank Nacional Financiera (NAFIN), in order to be on-lent to promoters of wind and solar projects in Mexico.

If the project was located in the EU, it would fall under Annex II of the EIA Directive, requiring the competent national authority to determine the need for an EIA, based on the screening criteria specified in Annex III of the same directive.

In the case of Mexico, the main social and environmental principles laid down in the EU legislation, such as screening, scoping, independent review, public participation, disclosure and monitoring; are also present in national legislation, specifically in the environmental law (“Ley General de Equilibrio Ecológico y la Protección al Ambiente – LGEEPA”).

This particular project was therefore subject to a mandatory EIA process, which started in December 2014 with the submission of the Environmental Impacts Manifest and finished in June 2015 when the environmental license granted by the authority.

The environmental license includes a set of conditions, defined based on the Environmental Impacts Study and the Environmental Management Plan prepared by the promoter. Regarding the impacts on habitats, it is specifically mentioned that the project does not directly impact any national or international protected area.

Social Assessment

In the particular case of this project consents were granted before the electricity law (“Ley de la Industria Eléctrica” - LIE) was published which requires a Social Impact Assessment.

However, the promoter conducted a Social Impact Assessment Study as part of the project preparation activities and in accordance with the company’s Corporate Social Responsibility policy and the Equator’s Principles, in line with the EIBs social standards.

It should be noted that Mexico has subscribed most of the International Labour Organisation (ILO) Conventions and all core conventions have been ratified

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.

The project area does not have presence of indigenous communities, recognized by the Mexican government in relation to the Convention 169 of the ILO, closest settlements to the project site are not villages of indigenous interest.

Public Consultation and Stakeholder Engagement

The project was subject to public information disclosure in the official environmental journal and in diverse national newspapers. After the statutory period, no complaints were submitted to the authority.

Furthermore, the promoter has carried out a Social Investment Program, as well as an Stakeholders Engagement Plan, with the aim of contributing to the well-being of the adjacent communities.

EIB Carbon Footprint Exercise

The wind farm is expected to produce an average of ca. 720 GWh/year, and will not generate any absolute CO₂ emissions. Overall, the project will result in relative emissions of minus 462 kt CO₂-e/year (i.e. savings of 462 kt CO₂-e/year).

Conclusions and Recommendations

The main social and environmental principles laid down in the EU legislation are also present in the current legislation in Mexico.

Social and environmental impacts and mitigation measures have been assessed individually by the financial intermediary and reviewed by the Bank as part of the ex-ante approval process. In accordance with the information reviewed the project is deemed to have limited social and environmental effects.

The promoter's capacity to manage environmental and social aspects is deemed satisfactory.

Under these conditions, it is considered that the due diligence procedures carried out for this individual operation have appropriately address environmental and social issues and meet the Bank's requirements.