

Environmental and Social Data Sheet

Overview

Project Name:	GLENNMONT CLEAN ENERGY FUND EUROPE III
Project Number:	2016-0994
Country:	EEA countries (EU Member States, Iceland, Norway, and Liechtenstein)
Project Description:	Renewable energy equity fund investing in PV solar, bioenergy, onshore and offshore wind
EIA required:	yes
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental Assessment

The Operation concerns the participation of the EIB in the Glenmont Clean Energy Fund Europe III. The operation intends to bring about environmental benefits by supporting renewable energy projects (solar PV, onshore and offshore wind farms and bioenergy projects) with limited negative social or environmental impact. All of the Fund's investments will be located in EEA countries (EU Member States, Iceland, Norway, and Liechtenstein).

Most of the Fund's underlying investments will fall under Annex II of EIA Directive 2014/52/EU amending the EIA Directive 2011/92/EU, leaving it in the EU to the national competent authority to determine on the basis of Annex III of the Directive whether an environmental impact assessment is required. Some underlying investments may fall under Annex I of EIA Directive 2011/92/EU requiring an environmental and social impact assessment.

The legal documentation to be concluded between the Fund and the Bank shall include an obligation on the Fund to ensure that all projects are in compliance with national and European legislation (where applicable), as well as the Bank's Environmental and Social Principles and Standards.

The Fund Manager is typically appraising projects that have already completed their environmental authorisation process. Considering its sectorial focus and its potential target geographies the Fund's analysis is primarily focussed on ensuring full compliance with national law and good industry practice when investing in EU and countries with comprehensive environmental and social legislation (including on health and safety) and effective authorisation procedures in place.

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.

Luxembourg, 18.07.2017

Conclusions and Recommendations

During appraisal it has been verified that the Fund Manager has fully understood the Bank's E&S requirements and it will be willing and capable to fully implement them. In order to strengthen the coordination and accountability aspects the Fund has designated an environmental responsible, who will oversee all the of environmental and social activities aspects.

In order to ensure full compliance of the operation with the Bank's Environmental and Social Principles and Standards, the legal documentation to be concluded between the Fund and the EIB will comprise additional safeguards. These include the following undertakings related to environmental and social aspects:

- The Fund will perform environmental and social due diligence to ensure that potential impacts and risks and appropriate prevention, mitigation and compensation measures were identified through an environmental and social impact screening/assessment and, where relevant, including satisfactory and meaningful public consultation and participation.
- The Fund Manager will be required to verify that none of the schemes has a significant negative impact on any site of nature conservation importance, including sites protected under the "Habitats" and "Birds" Directives (92/43/EEC and 2009/147/EC respectively) and the associated Natura 2000 network, national legislation and international agreements. If in the reasonable view of the Fund Manager an investment has the potential to significantly affect sites of nature conservation importance, it shall ensure that an appropriate assessment is carried out for the potentially affected sites, and obtain written confirmation from the competent authority as defined in the relevant EU Directives, or an equivalent assessment satisfactory to the EIB, that the investment does not have a significant negative impact on any protected site. If an underlying investment is subject to an E(S)IA or biodiversity assessment, the Fund Manager will be required to publish the Environmental and Social Impact Study (or a link) on its website for access to stakeholders.
- For investments subject to an environmental impact assessment (EIA) as defined by national legislation the Fund Manager shall (i) ensure that an Environmental and Social Impact Assessment (ESIA) is carried out and that public consultation is undertaken in accordance with national legislation and the EIA Directive, (ii) collect and publish a non-technical summary (NTS) of the ESIA on the Manager's/Investee Company's website, (iii) retain on file a copy of the Environmental Impact Study or NTS for a period of not less than six (6) years, (iv) provide a digital copy to the EIB, and (v) confirm to the EIB that the investment incorporates relevant mitigating measures recommended as a result of the EIA.
- The Fund Manager will ensure – supported by inputs delivered by the Bank – that the Environmental and Social Management System, which is already in place, is aligned with the Bank's requirements.

In view of the above findings and conditions, the operation is deemed satisfactory from an environmental and social compliance perspective.