

Luxembourg, 19 September 2017

Environmental and Social Data Sheet

Overview

Project Name:	DIF CORE INFRASTRUCTURE FUND I
Project Number:	2017-0385
Country:	Regional - EU countries
Project Description:	An infrastructure fund focusing chiefly on EU Member States. Main sectors are Telecom, Transportation, and Energy & Utilities.
EIA required:	No
Project included in Carbon Footprint Exercise ¹ :	No

Environmental and Social Assessment

Environmental Assessment

The Fund will invest in the small to medium scale projects:

- Telecom projects, centred on improving the relatively low broadband penetration in some regions, as well as capacity expansion and integration between telecom towers, fiber networks and datacenters;
- Transport projects are likely to focus on replacement of over-aged locomotives in railway companies, thereby ensuring compliance with the latest environmental standards;
- Energy projects (storage, district heating).

Considering the type of projects to be funded, the investments are not likely to have a significant negative environmental impact.

Some of the energy related investment project will fall under Annex II of Directive 2014/52/EU amending the EIA Directive 2011/92/EU, where the relevant competent authorities decide upon the requirement of a full EIA. Where an EIA is required the Bank obliges the Fund manager to ensure that investee companies act according to the provisions of the aforementioned Directive as transposed into national law. Should the relevant competent authority screen in an investment project, the Fund manager shall deliver to the Bank a copy of the Non-Technical Summary (NTS), or provide a link to the website where the EIA is published.

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.

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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 standards.

Social Assessment, where applicable

At the outset, no issues pertinent to this point are detectable in the expected pipeline.

Public Consultation and Stakeholder Engagement

The Fund Manager will see to it that consultation with stake-holders, if and where legally required, will be duly complied with.

Conclusions and Recommendations

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

The following loan condition will be included in the finance contract:

- 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.

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