

Luxembourg, 16/10/2017

Environmental and Social Data Sheet

Overview

Project Name:	ITALIAN MEDIUM SIZED RENEWABLES FRAMEWORK LOAN
Project Number:	20170414
Country:	Italy
Project Description:	<i>Framework loan (FL) to Financial Intermediaries targeting small to medium sized renewable project schemes throughout Italy, mainly focused on wind but possibly including other RE, such as: geothermal, biomass and solar sources, to be carried out by selected private or public promoters. Most of the identified project schemes are located in convergence regions.</i>
EIA required:	yes
Project included in Carbon Footprint Exercise ¹ :	no

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

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

The operation comprises several project schemes, mainly focusing on onshore wind, but possibly including other proven RE, such as: geothermal, biomass and solar sources. Schemes will be located in Italy, mostly in cohesion regions. Schemes are at an early stage of development.

All schemes are expected to fall under Annex II of the Environmental Impact Assessment ("EIA") Directive 2014/52/EU amending Directive 2011/92/EU, requiring the competent authorities to determine whether an EIA is required or not.

Additionally, according to the national legislation, each sub-scheme will also require the administrative Framework Authorisation (the Autorizzazione Unica, "AU"), which certifies compliance with national legislation on emissions and environmental matters and utilization of Best Available Technologies toward environmental risk mitigation (law Dpr 59/13-03-2013).

It is proposed that final authorizations, and either screening decisions or Environmental Impact Studies including Non-Technical Summaries, are presented, to the satisfaction of the Bank, prior to disbursement to any of the schemes, as a condition of disbursement.

Additionally, for each sub-scheme that may have an impact on a nature conservation site, written confirmation from the competent nature conservation authority, or an equivalent confirmation satisfactory to the Bank, that the mentioned scheme does not have a significant negative impact on any site of nature conservation importance should be presented, as a condition of disbursement.

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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Schemes with significant negative impacts on areas with high biodiversity value, nature conservation areas, including bird or fish migration routes shall not be eligible.

Any biomass scheme shall comply with the Bank's requirements on the sustainable supply of biomass.

The FI is structured in two or more tranches to Financial Intermediaries (FIs), one of which has been already identified. The already identified FI is well known to the Bank through a previous recent operation of similar characteristics and is therefore familiar with the Bank's Environmental and Social requirements. Additionally, it has substantial previous experience in non-recourse financing of renewable energy projects. The Bank has reviewed the FI due diligence capabilities, finding them adequate. For the FIs which have not been identified at this stage the Bank will appraise them in due course and ensure that they meet the Bank's standards in terms of their capacity to assess the environmental impacts of the project.

Environmental and Social Assessment

EIB Carbon Footprint Exercise

Intermediated lending through Framework Loans is not currently included in the carbon footprint exercise, except for large allocations which are subject to individual appraisal by the Bank. If any, these will be included in the footprint exercise if emissions are above the thresholds, in the year the allocation is approved by the Bank.

Other Environmental and Social Aspects

All schemes under this operation undergo a due diligence by the financial intermediaries (FIs), including an environmental and social appraisal. Promoters will be required to have an HSE policy in place and to comply with the relevant law.

Conclusions and Recommendations

On the basis of the above, the Bank will require the following environmental and social disbursement conditions and undertakings in its finance contract:

Disbursement conditions:

- For each scheme, to provide copy of either screening decisions or Environmental Impact Studies (EISs, including Non Technical Summaries), of the related authorisations (EIA and Autorizzazione Unica)
- For each scheme that may have an impact on a nature conservation site, the Financial Intermediary shall obtain confirmation from the competent nature conservation authority, or an equivalent assessment satisfactory to the Bank, that the scheme does not have a significant negative impact on any site of nature conservation importance.

Undertakings: None.

Having reviewed both the project selection processes and the project due diligence processes of the already identified FI, and in view of the conditions proposed, the operation is considered acceptable for Bank financing from a social and environmental point of view.



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