

**Public**

## **Environmental and Social Data Sheet**

### **Overview**

Project Name:	PEARL ENVIRONMENTAL INFRASTRUCTURE FUND
Project Number:	2017-0750
Country:	Regional EU
Project Description:	Infrastructure fund investing in environmental facilities in partnership with municipalities and large industrial companies in Europe.
EIA required:	yes
Multiple projects, some may require a full EIA	
Project included in Carbon Footprint Exercise <sup>1</sup> :	no

### **Environmental and Social Assessment**

#### **Environmental Assessment**

The Fund strategy is to invest equity in environmental infrastructure outsourced by industries and municipalities in Europe, with a focus on the industrial segment (pharmaceuticals, chemicals, steel, automotive, agribusiness, food and beverage).

Water and wastewater projects from the underlying investments will support continued compliance with the Water Framework Directive (2000/60/EC) and the Urban Waste Water Treatment Directive (91/271/EEC). In relation to the solid waste management component, the Fund will contribute to further diversion of biodegradable waste going to landfills. This will contribute to achieving climate change objectives by reducing direct greenhouse gas emissions from waste and by substituting energy generated from fossil origin with renewable alternatives. This project is also expected to have a strong contribution to Europe's circular economy in terms of reuse and resource recovery. In addition, it will support the 2020 and 2030 EU Energy objectives within industry and district heating by shifting heat production from fossil fuel to renewable energy and improving overall energy efficiency with waste heat reuse and development of CHP.

Some of the Fund's underlying infrastructure investments in the EU might fall under Annex I or II of Directive 2014/52/EU amending the EIA Directive 2011/92/EU, requiring a full Environmental Impact Assessment including public consultation or screening by the environmental competent authority.

The Fund management team shows well-proven experience in environmental infrastructure finance, particularly in water, wastewater and waste to energy.

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<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tons CO<sub>2</sub>e/year relative (net) – both increases and savings.

Luxembourg, 17 July 2018

## Conclusions and Recommendations

A significant portion of the investments will generate environmental benefits and all Fund investments are expected to have limited negative social or environmental impacts, especially during the construction phase. During appraisal, it has been verified that the Fund Manager has fully understood the Bank's E&S principles and requirements, and it will be willing and capable to comply with. In order to strengthen the coordination and accountability aspects, the fund will be required to designate an E&S Officer responsible to oversee all of the environmental and social aspects of the projects.

Disbursement conditions and undertakings:

- The fund manager will undertake to ensure that all portfolio investments comply with national, EU and international environmental and social legislation, including in particular compliance with the EU Directive 2014/52/EU amending the EIA Directive 2011/92/EU, the EU Habitats Directive 1992/43/EC, sector specific environmental directives and/or any other EIB E&S environmental and social standards and requirements
- The Fund Manager will undertake 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. 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, that the investment does not have a significant negative impact on any protected site.
- The Fund is not allowed to make energy investments which do not meet the Bank's Emission Performance Standard.
- If an underlying investment is subject to an EIA, the Fund Manager will be required to publish online a non-technical summary and the EIA, or provide a website link on its website to the location where is published in compliance with the EIB's group Transparency Policy. The Fund Manager will confirm that the project incorporates all mitigating measures recommended as a result of the EIA.
- The Fund Manager will be required to provide supporting environmental and social documents on EIB request (e.g. copies of E&S procedures and policies, NTS/ESIA, resettlement action plan, indigenous peoples plan, etc.).

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