

Public

Environmental and Social Data Sheet

Overview

Project Name:	RESPONSABILITY ACCESS TO CLEAN POWER FUND
Project Number:	2018-0476
Country:	Regional – Africa, Asia and Latin America
Project Description:	Investment fund providing debt and mezzanine financing to access companies providing distributed generation solutions (primarily based on solar energy) to households and SMEs mainly in Africa, Asia and Latin America
EIA required:	Multi-investment scheme
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental Assessment

The EIB intervention in this operation consists of an investment into a new dedicated energy access Fund, focused on supporting mainly micro-SMEs and residential projects that are facilitating access to affordable, sustainable and clean energy for lower income households in sub-Saharan Africa, Southeast Asia and Latin America.

Considering the scope of the investments, the projects financed by the Fund are expected to have significant positive social impact, with environmental benefits by supporting sound off-grid solar PV projects, i.e. home solar PV systems, solar kits, commercial and industrial rooftops and ground mounted solar PV systems with minimal negative social and environmental impact.

If the projects to be financed by the Fund were located within the EU they would likely fall under Annex II of Directive 2014/52/EU amending the EIA Directive 2011/92/EU, leaving it to the national competent authority to determine according to Annex III of said Directive whether an environmental impact assessment is required. For investments subject to an Environmental and Social Impact Assessment (ESIA) or biodiversity assessment as defined by national legislation, the Fund Manager shall ensure that the Environmental and Social Impact Assessment is carried out and that the public consultation is undertaken in accordance with national legislation and in line with the EIA Directive 2014/52/EU and the EIB E&S standards.

¹⁴ 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 Fund Manager has dedicated sector specialists, well aware of typical environmental and social (E&S) issues in Africa, Asia and Latin America, applying the best international practice in their appraisal process.

As part of its overall investment appraisal process, the Fund is performing environmental and social due diligence, i.e. E&S questionnaire, on-site checks, confirmation of the E&S risk assessment etc., to ensure that potential risks and appropriate prevention, mitigation and compensation measures are identified through environmental and social impact assessments, including satisfactory and meaningful public consultation and participation, when relevant. Appropriate E&S conditions are included by the Fund in its finance contracts with the borrowers.

The Fund Manager has developed an environmental and social management system (ESMS), which includes among others, an environmental and social action plan, a stakeholders engagement plan, a social grievance mechanism, and a monitoring and waste management plan for the electrical and electronic equipment deployed by the supported investments, which is to be recycled after decommissioning.

Projects with significant negative impact on areas with high biodiversity value or nature conservation will not be eligible. If a project is likely to affect a nature conservation zone or other sensitive area as defined in national or international environmental legislation, the Fund shall obtain confirmation from the competent nature conservation authority – following a biodiversity assessment in line with EIB requirements – that the scheme does not have significant negative impacts on any site of nature conservation importance.

Social Assessment, where applicable

The Fund's social requirements include social assessment and development of a management plan for mitigation and remediation of social impacts (as applicable), compliance with national laws and the principles and standards of ILO conventions², in particular prohibition of child or bonded labour, non-discrimination and equal opportunity of employment, occupational health and safety, as well as the EIB E&S performance standards.

Conclusions and Recommendations

The assessment procedures carried out by the Fund Manager for the underlying investments, will appropriately address environmental and social issues to ensure compliance with the Bank's E&S standards.

E&S undertakings:

- The Fund Manager shall collect and publish the ESIA required studies on its web site for access to stakeholders, in compliance with the EIB's Transparency Policy, as amended from time to time and published on EIB's website (www.eib.org);
- The Fund shall incorporate the Bank's environmental and social eligibility criteria in its Investment Guidelines and include relevant E&S conditions in its finance contracts;
- In addition to the normal reporting obligations of the Fund to all investors, the Fund shall have an obligation to provide to the Bank all information necessary to verify compliance with EIB's E&S standards.

Under these conditions, the Operation is considered acceptable for the Bank with regard to the environmental and social terms.

² International Labour Organization