

Public

Environmental and Social Data Sheet

Overview

Project Name:	Energy Efficiency Telecom Lebanon
Project Number:	2018-0644
Country:	Lebanon
Project Description:	The project consists of financing a new energy efficient infrastructure (cooling system, electrical supply, PV) for the existing and new cellular towers across Lebanon, in order to improve the energy efficiency and reliability of power supply, as well as increasing renewable energy consumption.
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	yes

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

Environmental and Social Assessment

Environmental Assessment

The Promoter, a service company, will roll out a new energy efficient infrastructure to supply the existing and new mobile towers of the two Mobile Network Operators (MNO) of the country. Approximately 2.600 existing towers will be upgraded and 700 new sites developed with the technical solution.

The Promoter has good E&S capacities, but he does not own the telecom asset, therefore in some aspects, he is not in a capacity to act without its clients, the MNOs. The Bank will require a development to establish an Environmental and Social Management System to mitigate the risks associated.

The project will decrease the total energy needs of the mobile towers and significantly reduce diesel consumption occurring during outages. This project will, therefore, bring global and local environmental benefits through energy savings and the reduction of pollutant emissions from diesel-powered generators.

Some E&S risks relate to the development of the new telecom tower sites, carried out by the MNOs. The Promoter shall confirm that the telecom company obtained all necessary permits and licenses for the new sites.

From an environmental perspective, the individual developments are not listed as projects requiring a mandatory EIA Study. Nevertheless, subject to Lebanese law, if any of these new tower sites are located in an environmentally sensitive area, competent Lebanese authorities

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, 13.06.2019

may require an Initial Environmental Examination (IEE) and, eventually, decide that a full EIA study is needed. Overall, the project will have a very limited negative environmental impact. If an underlying investment is subject to an EIA, the Promoter will be required to provide a website link to the location where it is published in compliance with the EIB's group Transparency Policy. The Promoter will confirm that the project incorporates all mitigating measures recommended as a result of the EIA.

From a social perspective, the acquisition of land for the needs of the new towers is going to require a site identification and land acquisition process that will need to be monitored for compliance with EIB Environmental and Social standards during implementation.

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

EIB Carbon Footprint Exercise

The Carbon Footprint is calculated with the grid and diesel consumption of the sites. In the baseline, existing consumption remains at current levels, with new towers assumed to consume the same amounts of diesel and power as current towers.

- Estimated emissions savings are 30.6 kilotons of CO₂ equivalent per year.
- For the annual accounting purposes of the EIB Carbon Footprint, the project emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of project cost.

Conclusions and Recommendations

Given the nature of the project, it is expected not to have any significant negative environmental impact. The residual environmental and social risks relate to the development of new sites, which will require a land acquisition process and could occur in an environmentally sensitive area requiring further assessment.

The project will contribute to climate change mitigation (i.e. energy efficiency) by decreasing the energy consumption of mobile towers in Lebanon.

The following conditions will be inserted in the Finance contract:

- The Promoter shall establish an Environmental and Social Management System acceptable to the Bank.
- The Promoter shall confirm that the telecom company obtained all necessary permits and licenses for the new sites, and that land acquisitions were carried out according to EIB Environmental and Social standards.
- The Promoter shall confirm that the telecom company has put in place health & safety measures acceptable to the Bank, to ensure the cell towers and associated facilities do not represent a risk to local communities or the environment.
- If an underlying investment is subject to an EIA Study (or IEE under Lebanese law), the Promoter will be required to provide a website link to the location where it is published in compliance with the EIB's group Transparency Policy. The Promoter will confirm that the project incorporates all mitigating measures recommended as a result of the EIA (or IEE).

Based on the above considerations, the Project is acceptable for the Bank in environmental and social terms.