

Environmental and Social Data Sheet

Overview

Project Name:	FONDS TOURISME OCCITANIE
Project Number:	2018-0354
Country:	FRANCE
Project Description:	The operation consists in providing a EUR 60m max. loan facility to an investment platform set up by the French region of Occitanie to support public and private initiatives in the tourism sector. Organized as a debt fund, the platform will provide public entities (at least 50% of invested resources) as well as private entities (SMEs and project companies) with types of loans that are not easily available in the market.
EIA required:	Multiple projects (Framework loan)
Some of the Fund's underlying investments may fall under Annex I or II of EIA Directive 2011/92/EU (as amended by Directive 2014/52/EU)	
Project included in Carbon Footprint Exercise ¹ :	no
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

Environmental and Social Assessment

Environmental Assessment

The operation will consist in a framework loan to an investment platform established by the Occitanie Region and managed by an independent professional fund manager. The platform will provide subordinated debt to public, semi-public and private entities and companies operating in the tourism sector. The investment strategy is aligned with the regional tourism strategy and will cover the full range of activities across the tourism value chain, including the upgrade of hotels and other accommodation, development and upgrade of open-air leisure activities, thermal and wellness activities, digitalisation of services, upgrade and extension of museums and cultural facilities as well as refurbishment of agro-tourism facilities and restaurants.

Some of the Fund's underlying investments may fall under Annex I or II of EIA Directive 2014/52/EU (amending Directive 2011/92/EU), requiring a full Environmental Impact Assessment (EIA) or EIA screening by the competent authority on the basis of Annex III to determine the need for a full EIA.

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.

Luxembourg, 09.04.2019

According to French legislation, the EIA process is part of the permitting procedure. The results of the public consultation as well as the EIA are to be taken into consideration by the authorities when delivering the permits (Article L. 122-1 IV of the *Code de l'environnement*). The Competent Authority for the EIA is determined according to the size and impacts of the projects and may be the *Préfet* (regional or departmental level) or the Minister of Environment. In the case of the projects to be financed by the investment platform, the competent authority can be expected to be at the regional or departmental level.

In France, the EIA and appropriate assessment procedures foreseen under the Habitats Directive (92/43/CEE) are grouped and carried out simultaneously. Occitanie has more than 100 Natura 2000 sites and, since the location of the projects to be financed by the fund is not yet defined, it is possible that some of them will be located inside or near one or more of these sites.

Investments in obsolete infrastructures and existing buildings are also likely to entail positive environmental externalities in terms of energy savings and reduced CO2 emissions, even though these impacts are difficult to quantify at this stage. The fund manager is also considering potential investments in the area of sustainable mobility for tourists (e.g. cycling lanes, electric bikes).

Social Assessment

The projects financed by the fund are expected to generate positive economic externalities, mainly due to the increased attractiveness of the region as a tourism destination, which in turn will foster job creation and tourism revenues for public and private companies operating along the whole tourism value chain.

Public Consultation and Stakeholder Engagement

Should any of the schemes under a framework loan require an EIA, a public consultation will be organised as part of the EIA process. Moreover, it is worth mentioning that the development of the regional tourism strategy included a participatory process, thanks to which several actors of the central government, departments, metropolitan areas, entities managing natural parks, associations of tourism professionals and private companies were involved over a period of 6 months.

Other Environmental and Social Aspects

The Fund Manager will adopt a dedicated Environmental Social and Governance (ESG) risk management procedure to be able to identify potential red flags before an investment decision is made and monitor the performance of all investments on an annual basis. This process will start with a questionnaire that the potential beneficiaries of loans from the investment platform will have to complete. This questionnaire will be reviewed by the investment team and, if a potentially significant environmental and social impact is detected, an external ESG expert will assess the project.

The questionnaire will be targeted to the different typologies of projects and will focus on the most material ESG impacts for the concerned sector/ project type. The issues covered by this procedure will be aligned with the EIB environmental and social standards.

Conclusions and Recommendations

Overall, the investments to be carried out by the Funds are expected to generate positive environmental and social impacts.



Luxembourg, 09.04.2019

The Fund Manager will be required to act according to the provisions of the relevant EU Directives, including SEA (2001/42/EC), EIA (2014/52/EU amending 2001/92/EU), Habitats (92/43/EEC) and Birds (2009/147/EC) Directives as transposed into national law. In projects where applicable, the Fund Manager will be requested to deliver the EIAs to the Bank before the Bank funds are disbursed. For investments having a potential impact on protected areas including Natura 2000 sites, the Fund Manager has to provide evidence of the compliance (including screening) with the Habitats and Birds Directives (if applicable) before the use of Bank's funds.

In addition, the fund manager will establish a dedicated ESG risk management procedure to be able to identify potential red flags before an investment decision is made and to monitor the performance of all investments on an annual basis. This procedure will be aligned with the EIB environmental and social standards.

The institutional capacity of the Fund Manager to manage the environmental and social issues is deemed good. Therefore, given the nature of the operation and the procedures concerning EIA and nature protection put in place by the competent authorities, subject to the conditions mentioned above, the operation is acceptable in environmental and social terms.

PJ/SQM/ECSO 01.02.2019