



European Investment Bank (EIB)

Luxembourg, 28 December 2020

Environmental and Social Completion Sheet (ESCS)

Overview

Project Name:	ALTHELIA CLIMATE FUND
Project Number:	2010-0720
Country:	Africa / Latin America / Asia
Project Description:	Innovative pilot fund for forest based carbon and other environmentally certified credits, aiming to protect the environment and reduce carbon emissions through sustainable land use and conservation of primary forest.

Summary of Environmental and Social Assessment at Completion

EIB notes the following key Environmental and Social outcomes at Project Completion.

The Fund contributes to climate change mitigation by investing in projects that deliver emissions reductions through sustainable land management and sustainable forest management practices, particularly projects at Reducing Emissions from Deforestation and Forest Degradation (REDD+) in emerging and less developed countries.

Reducing carbon emissions was the fundamental goal of this Fund and its portfolio projects address the main drivers of deforestation by protecting and restoring high carbon stock ecosystems. The Fund's portfolio of projects are at different stages in their development, meaning some are still under development whilst others are already producing verified emissions reductions. Since its initiation in 2013, the Fund avoided over 30 million tonnes of CO₂ being released into the atmosphere (equivalent to about 110 000 hectares of avoided deforestation) through improved management practices of over 2.2 million hectares of land. The Fund's investments contribute also to protecting about 2 million hectares of critical habitats for high conservation value species, as well as to the sustainable development of local rural communities and improvements of their living conditions. Over 2,200 jobs have been supported by the Fund's investments, both through direct employment and supporting independent smallholder farmers through cooperatives, with about 25% of these jobs being held by women.

The Fund's Environmental, Social and Governance Standard is consistent with EIB standards. The Fund implemented international best practices in sustainable land use and forestry. All projects observe IFC Performance Standards (2012) and the best practices articulated in the REDD+ Social and Environmental Standards (Version 2). All projects will meet the certification standards of appropriate third-party verified carbon standards such as Verified Carbon Standard (VCS) and Climate, Community and Biodiversity Alliance (CCB). An Environmental and Social Management System (ESMS) was developed, benefitting from the close supervision and guidance of the EIB E&S specialists. The Fund Manager also developed an Implementation Guide for Althelia's ESG Standard, to support the investee companies in understanding the Fund's E&S strategy and to facilitate their work adhering to and implementing high E&S standards throughout their projects.

In order to implement its Environmental and Social Strategy, the Fund Manager has strengthened its core capacity by recruiting appropriate expertise into its core team and involving suitably experienced and knowledgeable partners at project level. No significant



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environment issues were noted during implementation. Likewise, no physical, nor economic population displacement arose during the project implementation. In particular challenging and conflict sensitive environments, such as in some Latin American countries, continuous resources and technical guidance to portfolio companies are necessary for full enforcement of ESMPs.

Summary opinion of Environmental and Social aspects at completion:

Based on monitoring reports from the promoter during implementation period, the Bank's opinion is that the Project has been implemented in line with EIB Environmental and Social Standards, applicable at the time of appraisal.