Luxembourg, 14.11.2019

Public

Environmental and Social Data Sheet

Overview

Project Name:	EIB-CDC PLATFORM - CLEAN BUSES
Project Number:	2018-0178
Country:	France
Project Description:	The project involves the financing of an Investment Platform aimed at speeding up the replacement of conventional diesel bus fleets with zero-emission bus fleets (electric buses). It will also be used to finance the related electric charging facilities and potentially the related bus depots transformation. Despite the widespread expectation that electric buses will be cheaper in total cost of ownership terms than conventional buses, the transition from one to the other has been hindered by the fact that electric buses remain substantially more expensive to buy in the first place and there are lingering concerns whether from a performance perspective the anticipated energy savings will actually be achieved. The Platform will provide loans to French public authorities with a variable remuneration system aimed at addressing the risk of reduced energy savings that would result from an unexpected increase in electricity prices.
EIA required:	There are multiple sub-projects under this operation. The 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 of the development of an Investment Platform that will finance the acquisition of zero emission electric buses, their related charging infrastructure and the related adaptation of existing depots for the vehicles, to help French public authorities in their transition towards cleaner bus fleets. Initially, the focus of this operation will be on the purchase of electric buses and their associated infrastructure by public local authorities, but it could be extended to other types of clean transport (e.g. hydrogen).

In general, the manufacturing of rolling stock and the charging and refuelling stations do not fall within the scope of the EIA Directive 2011/92/EC amended by Directive 2014/52/EU.

[1] Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB 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.

Therefore, no EIA is required for these components. The adaptation of existing depots for the vehicles might fall under Annex II and require a screening opinion from the competent authority. According to French legislation, the EIA process is part of the permitting procedure.

The Platform Manager will be required to ensure compliance of the investments with the EIB Excluded and Restricted Lists of activities, the EIB Environmental & Social (E&S) Standards and core E&S requirements as well as the E&S national laws and regulations. Local authorities, which will be the promoters of the Platform investments, are familiar with these environmental procedures.

The Bank will request the Platform manager to prepare and submit on an annual basis, an aggregated E&S performance report, including competent authority screening decisions if and where applicable. The buses being replaced will either be scrapped or dismantled if they have reached the end of their life, or sold in the second hand market. In the first case (scrapping/dismantling), in the absence of an end of life regulatory framework for buses, the Bank will require the promoters to inform the Bank how the buses being replaced will be disposed of[2]. In the second case (selling second hand), a positive environmental impact is expected, since the buses will replace even older assets in the second hand market. This substitution typically reduces the level of particulates and pollutants emitted by the buses, which in many cities is regarded as a major benefit due to the very poor air quality they experience. Normal practice is for older vehicles that are still in use in the city to be firstly moved to less busy lines and then to be progressively retired from service and used for spare parts.The new electric buses are more efficient and with lower emissions compared to the vehicle fleet it replaces. In terms of CO2 emissions, compared to a new fleet of Diesel Buses, which is used as the baseline, estimated emissions savings for new vehicles are **33t** of CO2 average per vehicle, per year, that is a reduction of **10.80kt** of CO2 per year for the complete fleet. The total annual carbon footprint of the project fleet is estimated at **1.5kt** of CO2 emission per year of indirect emissions in relation to the electricity production.

Overall, the operation is expected to have a positive environmental impact. The renewal and improvement of public transport including the deployment of cleaner technology will contribute to reduced pollution and noise and will allow an increase in energy efficiency. In addition, the investments will have the capacity to improve the quality of public transport services, helping thus reduce reliance on private cars and maintain or increase public transport share.

Given the nature of the project, no impacts on Natura 2000 or other protected sites are expected.

Social Assessment

The foreseen project activities and outputs are not likely to trigger any of the Bank's social standards.

Public Consultation and Stakeholder Engagement

Public consultation is not applicable to this project. However, the Promoters will be asked to provide any information on stakeholder engagement or any public consultation that might have taken place to take into account the opinion of civil society in general and especially on accessibility for people with reduced mobility.

Conclusions and Recommendations

[2] Old buses can be disposed either directly by the operator or through a dealer who takes over the vehicle. Life expired vehicles or damaged vehicles are normally handed over to demolishers or stored for parts in the depots.

Overall, the operation is expected to have a positive environmental impact. The renewal and improvement of public transport including the deployment of cleaner technology will contribute to reduced pollution and noise, as well as low-carbon transport and will allow an increase in energy efficiency. In addition, the investments will have the capacity to improve the quality of public transport services, helping thus reduce reliance on private cars and maintain or increase public transport share.

The Platform 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 2011/92/EU), Habitats (92/43/EEC) and Birds (2009/147/EC) Directives as transposed into national law.

The institutional capacity of the Platform Manager to manage the environmental and social issues is deemed to be good.

Disbursement conditions

None

Undertakings

- The Platform manager shall prepare and submit on an annual basis, an aggregated E&S performance report, including competent authority screening decisions in the context of the EIA Directive, if and where applicable.
- For life expired buses of the promoters that are scrapped, the promoters undertake to inform the Bank how buses being replaced have been disposed and provide the relevant scrapping certificate(s), in line with EU and national regulation and industry best practice.
- For buses sold in the second hand market, the promoters undertake to inform the Bank of the purchaser and country of operation.

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 being met, the project is acceptable in E&S terms.