

Environmental and Social Data Sheet

Overview

Project Name:	<i>EGP AFRICAN RENEWABLE ENERGY FL (ZAMBIA)</i>
Project Number:	<i>2017-0971</i>
Country:	<i>Zambia and other African countries</i>
Project Description:	<i>Framework Loan to support the implantation of renewable energy projects in Zambia and other African countries</i>
EIA required:	<i>This is a Framework Loan operation. Some sub-projects may require an ESIA under the relevant legislation.</i>
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental and Social Assessment

The operation consists of a framework loan to support large-scale solar PV projects in Zambia and other African countries, developed and implemented by EGP (Enel Green Power). It intends to bring about environmental benefits through the financing of the underlying projects in the renewable energy sector that contribute to reducing environmental pollution and mitigating climate change.

The promoter's activities comprise the development, construction, operation and maintenance of power plants based on renewable sources such as wind and solar. EGP operates in many geographies, such as Europe, the Americas, Asia and Africa, and has been selected as an appropriate promoter on the basis of its proven ability to source, execute and manage investment schemes in the renewable energy sector, where it is global leader.

EGP has developed a life-cycle approach to the environmental management, from the procurement, to the construction, operation and end-of-life phases. For all critical suppliers, EGP ensures compliance with technical quality, economic/financial solvency, and health, safety and environmental management. During development, construction and operation, the proper management of the environmental aspects is achieved through the Environmental Management System (EMS), developed in accordance with the ISO 14001 international standard and certified by an independent certifying organization.

Social management is defined in detail for each project and is based on the Social Corporate Responsibility Policy (SCR), named "Creation of Shared Value". With regards to Community Engagement, GP promotes and supports social, cultural, environmental and educational initiatives with the goal to make a positive impact on the communities where it operates.

Although the Company possesses comprehensive environmental and social policies, it is ultimately subject to the national legislations where the projects are executed. However, EGP has already received funds from other international financial institutions showing adequate

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.

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and successful implementation of internationally recognised environmental and social standards and have enhanced their E&S capacity.

In regard to the environmental regulation, Zambia has developed a comprehensive set of regulative instruments, in line with the principles of the EU Directives, where the principles of screening, scoping, assessment, decision and monitoring are respected. Similarly, it should be noted that Zambia has ratified all fundamental ILO conventions, but not most of the technical ones, such as C161-C167 (occupational health and safety) or C169 (indigenous communities).

In that regard, the Bank will ensure that local regulations, as supplemented by the EIB's Environmental and Social standards, are incorporated into the projects financed under this operation.

According to the allocation procedures of the Bank, all projects, irrespective of their size, will be subject to a full ex-ante appraisal, including E&S matters.

Public Consultation and Stakeholder Engagement

The Bank will verify for each allocation that adequate public consultations and disclosures have taken place and appropriate grievance redressal mechanisms are in place, including for local consultation with the indigenous population when applicable.

Conclusions and Recommendations

The investments targeted by the operation are expected to have limited social and environmental impact provided that all mitigation measures, assessed individually at project level by the Bank as part of the approval process, are implemented.

The following loan conditions and undertakings are proposed:

- The promoter shall ensure that the projects financed under this operation are in compliance with national legislation and the EIB's Environmental and Social Standards.
- All allocations will require approval by the Bank prior to authorising the allocation of the funds to the project companies, after review for compliance with the Bank's standards. The Bank's requirements with regard to eligibility, including environmental and social aspects, will be incorporated into the finance contract of the framework loan.
- The promoter will undertake to monitor and report to the Bank on the compliance with EIB E&S Standards, with a periodicity yet to be defined.
- This operation will count on the support of Environmental and Social consultants, as deemed necessary, in order to assess and mitigate the potential risks.

Under these conditions, it is considered that the due diligence procedures carried out for individual schemes will appropriately address environmental and social issues and ensure that the schemes to be financed under this loan meet the Bank's requirements.