What are we doing

PROJECT EXPERIENCE
Our Approach

• We finance Project developed by Sponsors (Clients), often permitted and sometimes providing finance to existing Clients (i.e. for existing portfolio).
• For each Project we undertake an Environmental and Social Due Diligence to ascertain compliance with National law and our PR/PS.
• Greenfield Project depending on size and impact categorized as A or B.
  • For A category Project a full Environmental and Social Impact Assessment (ESIA) needs to be disclosed prior to Board Consideration
  • B Project we disclose Project information and often an Non Technical Summary
• As part of agreement, an Action Plan (ESAP for EBRD) is agreed with client and part of financing agreement.
• All Project should have a monitoring Program in place.
ESAP implementation

• Wind Sector Projects
  • Bird Monitoring (baseline and post construction)
  • Active Turbine Management Plans

• Power Grid/Distribution
  • EIA (as defined by EU EIA Directive requirements) for new HV power lines require bird assessments and mitigation if needed
  • Pilot Project, as part of Environmental and Social Action Plan (ESAP) agreed between the EBRD and Distribution Company, Company developing a **bird protection plan** that would allow mainstreaming bird protection in the Company’s ISO 14001 certified environmental management system

• Wind Sector Cumulative Assessments
  • SER/SEA for regions or countries
Assessment of Wind

Curtailment and shut-down on-demand procedures:

- should be considered
- factored into financial modeling and sensitivities at an early stage
- Adaptive and guided by a well-developed post-construction monitoring program.

Strong emphasis on post-construction monitoring

- Focused on at-risk/priority bird species
- Emphasis on fatality monitoring
IFIs are not a Competent Authority; so we can not use SEA Directive directly

- We can support Competent Authorities in developing SEA
  - E.g. Egypt SEA for wind development
- Develop Strategic Environmental Review (SER) of Projects/ or where SEA not possible
  - Cumulative assessments of wind Projects in Serbia, Egypt and Jordan
  - Bulgaria and Romania Wind Development SER’s & development of guidelines
- Hydro development
- Ukraine and Kazakh Renewable Sector financing
Need for SER/ Cumulative

• E.g. Uncontrolled wind sector development along the via Pontica bird migratory route
  • Problems in identifying cumulative impacts and renewable carrying capacity
  • NGO scrutiny and concern at EU level
• In Bulgaria, part of National Energy Plan – funded by TC
  • Involvement of all parties
  • Major institutional training and development of EIA guidance.
  • Criticism by some NGOs that not conclusive
• Romania SER and Guidance
  • Egypt Solar and Wind SER/SEA
  • Jordan
SER/ Cumulative approach

• SEA is a useful tool for stakeholder engagement on complex Projects
  • SER in Ukraine NPP’s -- without SER the project may have been stalled.

• The approach helps with institutional strengthening
  • Wind, better understanding of Projects, and stakeholder engagement

• Development of guidance

• Strategic assessment is not an easy tool to be used by Bank (Competent Authority) and is not Project-focused
  • EBRD can only facilitate and work with authorities in developing best approach

• SER can help ensure streamlined and consistent approach
Summary

- The financial sector’s role in facilitating others to affect biodiversity and ecosystems is increasingly being recognized.
  - Reputation risks and liabilities from association with bad practice are especially well known in project finance.
  - Reputational and political drivers
- Biodiversity can be an opportunity for business and sustainable growth and employment
- EU supporting business for Biodiversity –
  - Biodiversity technical assistance units (EU BATU Project), Handbook for developing and implementing pro-biodiversity Project
  - Banks are actively monitoring the development of a consolidated standard on Key Biodiversity Areas (KBAs).
- Financial Institutions will only invest in the best projects
  - Environmental standing often reflects overall performance