

## E&S Eligibility Criteria for Solar Projects

The Environmental and Social (E&S) eligibility criteria herein have been prepared to assist and to support EBRD’s partner Financial Intermediaries (FIs) who are considering the provision of financing to sponsors/developers of solar projects. In the following, the term “Project” refers to the solar project considered for financing, including all of its associated facilities as defined by the EBRD Environmental and Social Policy (ESP) dated 7<sup>th</sup> May 2014. This includes typically, but is not limited to, access roads, temporary sites, substation and transmission line connections to the grid. Also, the “Project” includes four temporal elements: 1) planning and siting of the facility, 2) construction, 3) operation and maintenance, and 4) decommissioning. All four elements are discussed herein. This is specific to new or “greenfield” projects and extensions to or remodelling of existing facilities.

The eligibility criteria below are organized with reference to EBRD Performance Requirements (PR), as defined in the 2014 ESP. The key issues provided below are typical, but not exhaustive, of projects and technologies used in constructing a solar project (solar PV and Concentrated Solar Power (CSP)). Projects proposed that use atypical construction or operation methods may require additional evaluation.

EBRD ESP (2014)	Key Issue	Eligibility Criteria	Evidence
<p><b>PR 1:</b> Assessment and Management of Environmental and Social Impacts and Issues</p>	<p>Regulatory Compliance - Local</p>	<p>The Project must comply with all requirements of national environment, health, and safety laws.</p> <p>The Project must have obtained all applicable local planning and zoning approvals to allow for the project development.</p>	<ul style="list-style-type: none"> <li>• For new developments, if required by law, the sponsor has undertaken an Environmental Impact Assessment ("EIA") and the EIA has been disclosed to the public in accordance with national requirements.</li> <li>• The sponsor/owner has obtained the required national licenses and permits to build (in case of new developments) or operate (in case of existing facilities) the Project.</li> <li>• For new developments the sponsor has obtained the required local planning and zoning board approvals required to build and operate the Project.</li> </ul>
<p><b>PR 1:</b> Assessment and Management of Environmental and Social Impacts and Issues</p>	<p>Compliance with EBRD PR on environment, health, and safety directives and relevant EU directives.</p>	<p>The project’s environmental and social impacts have been evaluated appropriately based on EBRD’s project categorization as outlined in the ESP 2014.</p> <ul style="list-style-type: none"> <li>• <b>Category A</b> projects could result in potentially significant adverse future environmental and/or social</li> </ul>	<ul style="list-style-type: none"> <li>• The sponsor has established and maintained an Environmental and Social Management System (ESMS) appropriate and commensurate with the level of its environmental and social impacts and issues in line with Good International Practice</li> </ul>

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		<p>impacts which cannot readily be identified or assessed and will require the client to carry out a comprehensive Environmental and Social Impact Assessment (ESIA). These are shown as follows:</p> <ul style="list-style-type: none"> <li>○ Solar projects that include construction of high voltage overhead electrical power lines.</li> <li>○ Projects likely to have a perceptible impact on sensitive locations of international, national, or regional importance</li> <li>○ Projects that result in significant adverse social impacts to local communities or other project affected parties.</li> <li>○ Projects which may involve significant involuntary resettlement or economic displacement.</li> <li>○ Projects that may result in significant cumulative impacts in combination with impacts from other existing facilities, reasonably foreseeable developments and/or unplanned but predictable activities enabled by projects that may occur later or at a different location.</li> </ul> <ul style="list-style-type: none"> <li>• <b>Category B</b> projects involve potential adverse future environmental and social impacts that are typically site specific and/or readily identified and addressed through mitigation measures.</li> <li>• <b>Category C</b> projects are likely to have minimal or no adverse future environmental and social impacts and that are readily identified and addressed through mitigation measures.</li> </ul>	<p>(GIP).</p> <ul style="list-style-type: none"> <li>• <b>Category A</b> projects must include an ESIA that meets EBRD-applicable PRs.</li> <li>• <b>Category B</b> projects should include an environmental and social assessment that is proportionate to the project’s nature, size and location, as well as the characteristics of the potential impacts and risks. The assessment will characterise potential future adverse impacts associated with the project, identify potential improvement opportunities, and recommend any measures needed to avoid, or where avoidance is not possible, minimise and mitigate adverse impacts.</li> <li>• <b>Category C</b> projects should include monitoring and reporting on the project’s compliance with the PRs.</li> </ul>

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<p><b>PR 3:</b> Resource Efficiency and Pollution Prevention and Control</p>	<p>The project may, both directly and indirectly, increase local and regional economic activity which can generate increased levels of pollution to air, water, and land, and consume finite resources in a manner that may threaten people and the environment at the local, regional, and global levels.</p>	<ul style="list-style-type: none"> <li>• The project sponsor will adopt technically and financially feasible and cost effective measures for minimising its consumption and improving efficiency in its use of energy, water and other resources and material inputs and recovering and re-utilising waste materials.</li> <li>• The project sponsor will integrate resource efficiency measures and the principles of cleaner production into product design and production processes.</li> </ul>	<ul style="list-style-type: none"> <li>• The project sponsor has conducted an evaluation of consumables and wastes and has developed a strategy to minimize energy usage and to re-use/recycle waste materials.</li> <li>• The sponsor has anticipated the volumes of wastes he will have to manage, and has a strategy to manage wastes through authorised companies.</li> <li>• The sponsor has anticipated the impacts associated with project construction and has identified required mitigation including dust abatement, appropriate excavation material disposal and fertile soil conservation as applicable.</li> </ul>
<p><b>PR 3:</b> Resource Efficiency and Pollution Prevention and Control</p>	<p>Concentrated Solar Power (CSP) plants may have higher requirements and clusters of PV plants may have a high cumulative water use requirement in an arid area where local communities rely upon scarce groundwater resources.</p>	<ul style="list-style-type: none"> <li>• If groundwater is required, the project must not adversely affect water supply.</li> </ul>	<ul style="list-style-type: none"> <li>• Project sponsor has undertaken an assessment to determine groundwater availability.</li> <li>• Based on empirical information, the project sponsor has developed a water management plan that provides for proper use, treatment and/or disposal of wastewater.</li> <li>• Operation and maintenance methods in relation to water availability and use should be carefully reviewed where risks of adverse impacts to community usage are identified.</li> </ul>
<p><b>PR 3:</b> Resource Efficiency and Pollution Prevention and Control</p>	<p>The project could generate hazardous (e.g. broken solar panels, fluorescents, obsolete electronics, sewage and medical waste) and non-hazardous waste (packaging materials, concrete, glass, plastics etc.) during project activities.</p>	<ul style="list-style-type: none"> <li>• The project sponsor must include design features to follow waste management hierarchy to avoid or minimise the generation of hazardous and non-hazardous waste.</li> </ul>	<ul style="list-style-type: none"> <li>• The project sponsor will develop a waste management plan to demonstrate technical and financially feasible alternatives for environmentally sound disposal.</li> </ul>

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<b>PR 3:</b> Resource Efficiency and Pollution Prevention and Control	Project site preparation and construction will disturb the ground surface and increase likelihood of soil erosion and sedimentation, potentially polluting nearby water courses and adversely impacting aquatic life. Ongoing operation and maintenance will require continued clearance of site vegetation.	<ul style="list-style-type: none"> <li>The project must demonstrate that sediments in stormwater will be managed in a manner that avoids or minimizes impacts to streams and rivers.</li> <li>Ongoing vegetation control must not include the use of toxic herbicides that could adsorb to sediments transported to streams, creating a potential hazard to aquatic receptors.</li> </ul>	<ul style="list-style-type: none"> <li>The project sponsor proposes the use of best management practices (BMPs) for soil erosion and runoff (e.g. sediment settling basins, silt fencing, hay bales, physical barriers, grassed swales, etc.).</li> </ul>
<b>PR 4:</b> Health and Safety	Construction activities including the transportation of materials (solar PVs, augers, cement batchers and earth moving equipment) and workers could lead to increased traffic on the local roads. If not managed appropriately, this could adversely affect community safety. In addition, occupational health and safety is an issue that needs to be properly managed during construction activities.	<ul style="list-style-type: none"> <li>The project sponsor will identify, evaluate and monitor potential traffic and road safety risks to workers and potentially affected communities and where appropriate develop measures and plans to address them.</li> <li>The project sponsor will seek to prevent the occurrence of incidents and injuries to members of the public associated with the transportation of workers and equipment.</li> </ul>	<ul style="list-style-type: none"> <li>Development of a traffic management plan for implementation during project construction, operation and decommissioning. This should be incorporated into the environmental and social management plan (ESMP) and EPC requirements for the Project.</li> <li>Proper OHS risk identification and management procedures should be incorporated into every project's management plans and standard EPC contractual clauses.</li> </ul> <p>The site area should be restricted to avoid unauthorised entrance.</p>
<b>PR 4:</b> Health and Safety	Construction activities increase local noise and generate air emissions that can adversely impact nearby residential communities.	<ul style="list-style-type: none"> <li>The project will address, and when required by national requirements or international standards, include noise abatement measures and dust control measures to eliminate or minimize impacts to nearby communities.</li> </ul>	<ul style="list-style-type: none"> <li>The selection of the project site has maximized distance from residential communities to the greatest extent possible.</li> <li>Where unabated noise and air emissions from construction solar plant has been shown to present an unacceptable risk to nearby residents, abatement and management measures have been included to reduce to acceptable levels.</li> </ul>

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<b>PR 4:</b> Health and Safety	Glint and glare may occur from the solar panels and could result in health and safety impacts. Approval from the military may be required if the site is near a military sensitive site. Likewise consideration is required if the site is located in close proximity to airports.	<ul style="list-style-type: none"> <li>• Health and safety considerations will be assessed as part of the environmental impact and permitting process.</li> </ul>	<ul style="list-style-type: none"> <li>• Where there are potential health and safety risks relating to glint and glare from the project, the project must be designed to mitigate the potential impacts through consideration of layout, size and scale of project and landscaping and planting in order to screen the modules from the surrounding receptors.</li> <li>• Clearance certificates/approvals have been obtained where needed (e.g. from military for military sensitive areas).</li> </ul>
<b>PR 5:</b> Land Acquisition, Involuntary Resettlement and Economic Displacement	A project may result in physical displacement (relocation or loss of shelter) and/or economic displacement (loss of assets or resources, and/or loss of access to assets or resources that leads to loss of income sources or means of livelihood) as a result of project-related land acquisition and/or restrictions on land use.	<ul style="list-style-type: none"> <li>• The project sponsor will identify if the project, its components or any associated facilities<sup>1</sup> will require the relocation and/or loss of residences, commercial/industrial establishments, or rights to land of economic value.</li> <li>• If the project will result in the relocation and/or loss of residences, commercial/industrial establishments, or land of economic value, a Resettlement Action Plan (RAP) and/or compensation plan would be required.</li> </ul>	<ul style="list-style-type: none"> <li>• An alternatives analysis has been conducted to identify alternative sites and transmission routings.</li> <li>• If resettlement or economic displacement is unavoidable, the project sponsor has prepared a RAP and/or compensation plan.</li> </ul>

<sup>1</sup> Facilities and projects developed by separate legal entities whose viability and existence are determined by or depend exclusively on the project and are essential for the successful operation of the project. This may include e.g. powerlines to connect the project to the grid where these are not part of the project.

<b>EBRD ESP (2014)</b>	<b>Key Issue</b>	<b>Eligibility Criteria</b>	<b>Evidence</b>
<p><b>PR 6:</b> Biodiversity Conservation and Sustainable Management of Living Natural Resources</p>	<p>The siting and construction of the solar plant and related transmission lines could adversely impact protected species or their habitat directly or through habitat fragmentation.</p>	<ul style="list-style-type: none"> <li>• The project must avoid impacts to protected species and their habitats to the greatest extent possible.</li> <li>• Project sponsor has identified any potential protected species that may be affected by the proposed development in accordance with national legislation and international treaties.</li> </ul>	<ul style="list-style-type: none"> <li>• The project sponsor has relied on work conducted by qualified and experienced specialists to identify protected species that may be affected as part of the ecological baseline with reference to at least national regulations and IUCN and CITES Lists.</li> <li>• An alternatives analysis was conducted to identify alternative sites and minimize current and future impacts on protected species</li> <li>• Where impacts cannot be avoided, the project sponsor has developed a mitigation strategy to limit the effect of the development on protected species. Habitat enhancement measures could be considered where appropriate to offset adverse impacts on sensitive habitats at a site.</li> </ul>

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<p><b>PR 6:</b> Biodiversity Conservation and Sustainable Management of Living Natural Resources</p>	<p>The siting and construction of the solar plant and related transmission lines could adversely impact designated national or international protected areas.</p> <p>Designated areas (e.g. a national park, a Natura 2000 site – both official and shadow lists) are typically listed as such because they contain threatened, rare, or sensitive fauna and flora and the construction and operation of turbines in such areas may be detrimental to those species.</p> <p>Natura 2000 represents European Union (EU) policy on the conservation of Biodiversity.</p>	<ul style="list-style-type: none"> <li>• The project must avoid impacts to designated national or international protected areas to the greatest extent possible.</li> <li>• Project sponsor has identified any designated national or international protected areas that may be affected by the proposed development in accordance with national legislation and international treaties.</li> </ul>	<ul style="list-style-type: none"> <li>• Project sponsor has identified national or international protected areas that may be affected by the project.</li> <li>• An alternatives analysis was conducted to identify alternative sites and minimize current and future impacts on national or international protected areas.</li> <li>• If the site is located in a sensitive area such as a Natura 2000 or near a Natura 2000 area, the developer needs to have or will undertake an additional ecological survey and assessment in line with <i>The Birds Directive (Directive 2009/147/EC)</i>, <i>The Habitats Directive (Directive 92/43/EC)</i> and <i>The Bern Convention (June 1979)</i>.</li> <li>• Where impacts cannot be avoided, the project sponsor has developed a mitigation strategy to limit the effect of the development national or international protected areas and a full ESIA has been conducted as per Category A projects (see PR1)</li> </ul>
<p><b>PR 6:</b> Biodiversity Conservation and Sustainable Management of Living Natural Resources</p>	<p>Project siting, as well as glint and glare from the solar modules, may have landscape and visual impacts for neighbouring businesses or residences as well as affecting landscape designation, character type and surrounding communities.</p>	<ul style="list-style-type: none"> <li>• The project must assess the compatibility of the proposed solar plant with the existing and future planned land use as part of a visual impact assessment.</li> </ul>	<ul style="list-style-type: none"> <li>• A landscape and visual impact assessment has been prepared to assess compatibility with the existing and planned land use.</li> <li>• Mitigation measures have been included as part of the project design, such as layout considerations, size and scale, landscaping and planting in order to screen the modules from surrounding receptors.</li> </ul>

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<b>PR 7:</b> Indigenous Peoples	Project development may negatively impact on or create opportunities for Indigenous Peoples (applicable to projects in certain regions in Russia).	<p>If the project is located in, or its supply chain relies on feedstock from areas inhabited by Indigenous Peoples<sup>2</sup>, the Sponsor is to rely on expert advice to:</p> <ul style="list-style-type: none"> <li>• ascertain whether any population group potentially affected (positively or negatively) is considered Indigenous People, and</li> <li>• establish whether EBRD PR7 is applicable to the Project.</li> </ul>	<ul style="list-style-type: none"> <li>• If EBRD PR7 is triggered, the project Sponsor has demonstrated that all requirements of this PR are met.</li> </ul>
<b>PR 8:</b> Cultural Heritage	Project construction may cause damage or disturbance to irreplaceable sites (areas of archaeological or historic interest to local communities, features, or practices of tangible or intangible cultural heritage value).	<ul style="list-style-type: none"> <li>• The project must avoid impacts to cultural heritage assets to the greatest extent possible.</li> <li>• Project sponsor has identified any potential tangible and intangible heritage that may be affected by the proposed development in accordance with national legislation and international treaties and obtained clearance for the project from the relevant authority.</li> <li>• Project sponsor has relied on work (e.g. Archaeological surveys as appropriate) conducted by qualified and experienced specialists to identify and assess heritage that may be affected.</li> </ul>	<ul style="list-style-type: none"> <li>• The project avoids impacts to cultural heritage assets wherever possible.</li> <li>• Where impacts cannot be avoided, the project sponsor has developed a mitigation strategy, including a chance finds procedure to limit the effect of the development on heritage.</li> <li>• All site-specific cultural studies and mitigation strategies have been implemented by recognized archaeologists or cultural historians in accordance with international standards.</li> </ul>



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<b>PR 10:</b> Information Disclosure and Stakeholder Engagement	Community acceptance of a project will greatly assist in the implementation of that project.	<ul style="list-style-type: none"> <li>• To achieve community acceptance, it is necessary to identify stakeholders and impacted communities and provide them an opportunity to have input into the decision making process.</li> <li>• Affected stakeholders should participate in the development and implementation of any required mitigation measures.</li> </ul>	<ul style="list-style-type: none"> <li>• The locally affected community has been notified and consulted prior to the development of the Project.</li> <li>• Develop and implement a Stakeholder Engagement Plan (SEP)</li> <li>• A formal grievance mechanism has been developed and implemented by the sponsor to cover both the construction and operational phases of the project. The mechanism has been publicised on bulletin boards in public venues in local communities and via local media (newspapers/radio)</li> <li>• A communication records procedure has been developed which will log the key information provided to stakeholders</li> </ul>