

INTER-AMERICAN DEVELOPMENT BANK



Abengoa Line of Credit

(RG-L1045)

**ENVIRONMENTAL AND SOCIAL MANAGEMENT REPORT
(ESMR)**

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I. INTRODUCTION

- 1.1. Abengoa, S.A. (Abengoa or the “Borrower”), a *sociedad anónima* organized under the laws of Spain, is a multinational corporation founded in 1941 and has become a leading developer of innovative technology solutions for sustainability in the energy and environment sectors. Abengoa has been active in a variety of energy types including wind, hydro and solar as well as other areas including transmission lines, water and wastewater, desalination, industrial waste recycling and biofuel production. In 1963 Abengoa began its global expansion by forming its first subsidiary company in Argentina, followed by Brazil, Uruguay, Mexico, Peru and Chile which together represent 36% of the consolidated sales in 2010. Abengoa recently opened a new office in Colombia.
- 1.2. To support early stage development of energy, water and sanitation, and other infrastructure projects throughout the Latin America region, Abengoa has asked the IDB to provide a revolving line of credit facility of up to US\$200 million. This facility will finance the early stages project costs for Abengoa including specific activities such as: (i) final engineering work; (ii) working capital to cover advanced payments on purchase of land, machinery and equipment; (iii) initial construction work; (iv) preparation of environmental and social impact studies; (v) legal work. The line of credit will finance up to 50% of the total project costs. This amount is expected to be sufficient to cover the early stage financing needs of most projects. In the case of very large projects where this amount will be insufficient to cover the full need, Abengoa will raise additional funds to complement IDB’s line.
- 1.3. The line of credit seeks to remedy the market failure related to the unavailability of short term loans from international commercial institutions that results from limits on country exposure and the high levels of provisioning required by international banks when lending to countries in Latin America and the Caribbean. These limitations have been exacerbated since the 2008 financial crisis as international banks have become more conservative and have restricted lending outside of their national economies. Local financial institutions, likewise, often do not have the lending capacity or lending experience needed for large infrastructure projects. The line of credit is intended to be a quick disbursing mechanism that will allow Abengoa to focus its efforts on project implementation and securing long term funding.
- 1.4. The IDB has financed two projects with Abengoa, which are currently outstanding NSG loans, specifically the transmission line projects ATE II and ATE III. The ATE II has reached project completion and ATE III was expected to reach technical completion by June 2011 although it is already in operation. In 2009, Abengoa replaced the O&M provider for ATEII and ATEIII without consent from IDB, placing the loans in technical default. Regarding environmental and social matters, ATE II and ATE III are each in compliance with their respective environmental and social requirements.

II. OPERATION DESCRIPTION

- 2.1. Abengoa has an extensive pipeline of infrastructure projects throughout the Latin America region that it expects will require financing over the next five years. The potential projects to be financed by this line of credit include energy (wind, hydro and solar), transmission lines, desalination, water and wastewater, hospitals, among other types of projects (see Annex A of the loan proposal for a list of potential projects). Abengoa works on both public and private sector projects as either an engineering and procurement contractor or concessionaire. Since these projects require obtaining concessions and other governmental authorizations or depend on reaching offtake agreements with private companies, it is not possible to define the specific projects that will be candidates to receive IDB financing.
- 2.2. The Abengoa projects will be located throughout up to seven countries in Latin America including Argentina, Brazil, Chile, Colombia, Mexico, Peru, and Uruguay. The projects will be selected for financing during the operation of the line of credit facility; therefore, the exact project locations are currently unknown. During the selection of projects for financing by the line of credit, an environmental and social review procedure will be conducted and an eligibility report will be prepared by Abengoa in which the location and other key aspects of the proposed project will be assessed, described and analyzed with respect to the IDB Policies. This eligibility report will include basic information about the project such as location, site description, environmental and social impacts, control and mitigation measures, proposed monitoring activities, etc. and an assessment of the project in order to verify compliance with IDB policies. This eligibility report also will be reviewed and confirmed by an independent Environmental and Social Consultant.
- 2.3. During due diligence two countries, Brazil and Peru, were visited to assess environmental and social issues in the Abengoa country offices or Sociedades as well as to conduct site visits to select project locations in each country. The Abengoa Brazil office was established in 2001 with the objective of participating in transmission line concession projects. Abengoa Brazil has expanded into other areas and today supports a combination of activities that represent a larger diversification of market and client portfolios and that include energy (solar, wind, bioenergy), environmental services, information technology, and industrial engineering and construction. The Brazil office currently has twelve active projects, all of which are transmission lines, eight are concessions in operation, two are in construction, and two are in development. The Abengoa Peru office was formally founded in 1996 and currently has four main areas of business including transmission lines, environmental services, engineering and industrial construction, and concession-type infrastructure. The Peru office currently has ten active projects including five transmission lines, one hydroelectric station, and four water and sanitation projects.
- 2.4. **Environmental Impact Categorization.** Due to the nature of the proposed facility this operation is classified as a financial intermediation operation as per the requirements of

Directive B.13 of the IDB Environment and Safeguards Compliance Policy (OP-703). The potential projects that are considered for IDB financing under the line of credit facility will be subject to an environmental and social review to confirm eligibility and compliance with IDB policies including environmental and social policies. The initial assessment of project eligibility will be performed by Abengoa. A report generated by Abengoa will be reviewed and confirmed by an independent Environmental and Social Consultant on behalf of the IDB. The projects to be supported by the facility are expected to be Category B for their environmental and social impact. Any project that could potentially be classified as Category A for its environmental or social impact shall not be eligible to receive financing through the line of credit facility. The eligibility criteria for these loans will require that the environmental and social studies are approved by local authorities and that the proposed projects comply with the IDB environmental and social policies.

III. INSTITUTIONAL AND LEGAL FRAMEWORK

- 3.1. The Corporate level environmental and social policies of Abengoa demonstrate dedication to the development of quality environmental and social management systems. The Corporate level policies and management system for environmental, social, labor, health and safety issues cascade down to the subsidiaries or Sociedades. The Sociedades operate with their own environmental and social management system, which are designed to respond to Corporate level policies and are customized to address country specific laws and requirements. The Sociedad environmental and social management system is then applied and compliance is monitored at the project level. The Sociedad reports back to the Corporate level on project compliance with the environmental and social management system and requirements.
- 3.2. The Abengoa Corporate level environmental management system is flexible and can incorporate an additional component to require review and compliance with IDB policies. This review will be required when a project is considered for IDB financing. Abengoa will conduct a review of the proposed project to determine 1) basic eligibility with respect to the IDB exclusion list, 2) environmental classification of the project with respect to the B.3 directive of the Environment and Safeguards Compliance Policy (OP-703), and 3) project compliance with all relevant IDB Policies including directives B.2 through B.12 of OP-703, Disaster Risk Management Policy (OP-704), Involuntary Resettlement Policy (OP-710), Gender Equality Policy (OP-761), Indigenous Peoples Policy (OP-765), and the Access to Information Policy (OP-102).

IV. ENVIRONMENTAL AND SOCIAL ASPECTS

- 4.1. The potential environmental and social impacts and risks of the facility will be related to the individual projects to be financed or guaranteed. The proposed facility will support

three general categories of project costs including those associated with (i) project preparation such as engineering designs, environmental and social impact studies, and legal work; (ii) capital expenditures or working capital for initial construction work on projects which could include energy projects (wind, hydro), transmission lines, hospitals, desalination plants, water and wastewater infrastructure, among other types of projects; and (iii) capital expenditures or working capital for solar energy activities associated with pilot projects, studies or initiatives. The financing of project preparation such as designs and studies will not have environmental and social impacts; however, the involvement of the IDB will have important additionality in enhancing project design and incorporating environmental, social, health and safety safeguards and practices at the earliest stages. The financing of capital expenditures for infrastructure projects could result in environmental and social impacts which will vary in nature, intensity and duration based on the specific characteristics, location and the social context of the individual project. The potential environmental and social impacts will be assessed during a project review procedure that will occur prior to financing.

- 4.2. Prior to submitting a bid, both Abengoa Brazil and Peru conduct a project review that analyzes high level financial risk and also includes a preliminary assessment of environmental and social risks. This assessment is primarily qualitative, includes the preparation of an initial baseline study, and is conducted through a field visit by local experts. The assessment is guided by the Abengoa management system which has a series of Normas de Obligado Cumplimiento (NOC, Rules of Mandatory Compliance) that describe required procedures for all Abengoa Sociedades in any country. The NOC 03 includes Gestion de Calidad y Medio Ambiente (Environment and Quality Management) and Gestion Medioambiental (Environmental Management) and NOC 04 includes Recursos Humanos (Human Resources) which has various sub-components addressing labor, health and safety management, and corporate social responsibility. The NOC 03 and NOC 04 include a series of checklists that assess and describe the presence and level of risk associated with a potential project. The results of the risk evaluation are presented in an initial project assessment report which is then submitted to the corporate level for review and to confirm compliance with corporate policies and standards. As a general principle of the business model, Abengoa prefers to avoid high risk or controversial projects.
- 4.3. In order to confirm compliance with IDB policies, an additional assessment will be required for projects under consideration for IDB financing by the line of credit. This additional assessment procedure was mentioned in section 3.2 above and is further described in section 7.2 below.

V. MANAGEMENT OF ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY AND LABOR IMPACTS AND RISKS

- 5.1. The Abengoa corporate level environmental, social, labor, health and safety management system or “Sistema Comun de Gestión” (SCG, Coordinated Management System)

includes the environmental, labor, health and safety and corporate social responsibility policies for all Abengoa's subsidiaries as well as general corporate procedures called Normas de Obligado Cumplimiento (NOC, Rules of Mandatory Compliance). The SCG currently include 10 NOC which comprise of check lists that serve to identify, manage and control the various aspects of project risks. The NOC which address environmental risk, social, labor, health and safety issues are NOC 03: Gestion Medioambiental (Environmental Management), NOC 03: Gestion de Calidad y Medio Ambiente (Environment and Quality Management), and NOC 04: Recursos Humanos (Human Resources which includes labor, health and safety management and corporate social responsibility).

- 5.2. At the foundation of Abengoa's SCG management system are four corporate policies (Environment, Grievance Mechanism, Responsible Labor, and Health & Safety) based upon recognized international standards including ISO 14001 (Environmental Management), OHSAS 18001 (Health and Safety Management) and SA 8000 (Corporate Social Responsibility Management) which are subject to external auditing, in addition to applicable UN Conventions. Following ISO certification in 1996, NOC 03 was introduced along with NOC 04 to specifically address environmental risk, quality assurance, labor, health and safety issues. Through the application of the NOC during the pre-bid assessment stage, Abengoa undertakes a high level risk analysis and quantification of initial risks. These policies form the basis of Abengoa's SCG, the internal risk assessment and risk management system in operation since 1997.
- 5.3. As part of the SCG Abengoa also manages three global environmental issues, specifically greenhouse gases inventory, Global Reporting Initiative (environmental, social and economical data), and sustainability indicators of project environmental impacts related to biodiversity, water, energy, atmospheric emissions, noise, wastes, liquid effluents, raw materials, products and services.
- 5.4. Below the corporate level, the company is organized into Sociedades, corresponding to each country where the company operates. Each Abengoa Sociedad has an Environmental, Social and Health and Safety Management System that includes both general procedures responding to the corporate NOC and technical procedures for managing specific environmental, social and health and safety impacts and risks related to local country laws and project requirements. Many of the Sociedad management systems have been certified by ISO 14001, OHSAS 18001, and SA 8000 international standards. During the construction phase, Abengoa hires experienced construction companies, which apply their own environmental, social, health and safety management systems, which have to comply with Abengoa's management systems at the corporate and sociedad levels. For managing the environmental, social, health and safety risks during the operation phase, Abengoa usually applies its own management systems.
- 5.5. The SCG management system at the corporate level is administered globally via an in-house software program. Each Sociedad is responsible for ensuring the successful implementation of the corporate SCG management system, however, only those NOC which are relevant are applied. Some slight differences may exist between Sociedades,

reflecting specific national obligations and project requirements. General results from each subsidiary are monitored on a quarterly basis, but in some cases, monthly reporting is required, for example, health & safety, GHG inventory and environmental impacts during project construction, such as noise, air quality, and waste management. Abengoa is subject to stringent internal and external monitoring in order to comply with its commitment to transparency via the Global Reporting Initiative.

- 5.6. The SCG management system is regularly reviewed and updated as necessary and any changes disseminated as appropriate. A formal review occurs annually as part of the strategic planning process. Changes are approved by Abengoa's presidential committee and, in the case of Latin America, disseminated initially through in-person monthly meetings held with Abengoa's Director of Quality, Environment and Prevention, leading to the development of country specific action plans and formal dissemination to all employees. This is a unilateral process determined at the highest level and is subject to regular scrutiny. An example of the successful dissemination and implementation of corporate directives at the subsidiary level is Abengoa's GHG inventory, initiated in 2008. This program also reflects Abengoa's efforts to put policies and directives into practice throughout their supply chain. All contractors and suppliers are required to implement a GHG inventory in order to conduct business with Abengoa. Organizations that are willing but unable to implement an inventory immediately are given a six month grace period and supported by Abengoa in their endeavors. Organizations that are not willing to participate are excluded from conducting business with Abengoa.
- 5.7. There are similarities between the Abengoa environmental and social policies and the IDB policies. However, there also are some differences between Abengoa environmental and social policies and the IDB policies that have been identified such as in the Environmental and Social Safeguard Policy (OP-703) environmental assessment requirements (B.3), public consultation (B.6), and critical natural habitats and cultural sites (B.9). These differences in policies will need to be addressed by Abengoa, through a sub-policy to NOC 03 that refers to IDB policies in order to assess compliance of the projects and ensure project eligibility. The NOC 03 and associated check lists will have to be adapted to incorporate review of all relevant IDB policies and guidelines. The application of the adapted NOC 03 will be applied if a project is being considered for IDB financing in order to confirm eligibility and compliance with IDB policies and guidelines. The project will be carefully assessed during the environmental and social review procedure which will be conducted by Abengoa for each proposed project. An eligibility report will be prepared by Abengoa and reviewed by the IDB Environmental and Social Consultant.
- 5.8. Compliance with IDB policies and guidelines will be mandatory for all Abengoa projects financed by IDB including at eligibility as well as during operation. To accomplish this compliance, Abengoa shall incorporate IDB policy requirements at the Corporate, Sociedad and Project level as components of the legal and other requirements matrix to ensure that IDB policies will be considered, all environmental, social, health and safety aspects and risks assessed, and respective mitigation measures applied. For some specific

operations compliance with the IFC Environmental, Health and Safety Guidelines will be required and shall be referenced along with IDB requirements.

VI. PUBLIC CONSULTATION

- 6.1. Public Consultation is a complex process driven by a number of factors, not in the least national requirements. Although social impacts are generally captured through the initial risk assessment governed by Abengoa's SCG management system, at present, Abengoa does not have a formal corporate procedure or policy that would require stakeholder engagement and public consultation company-wide. As noted in Section 7 below, Abengoa will have to develop a stakeholder engagement and public consultation NOC in order to comply with IDB policies.
- 6.2. As described above, both Abengoa Brasil and Abengoa Peru participate in engineering and procurement contractor or concession-type infrastructure projects. Both types of contracts involve a construction phase and are generally subject to a formal environmental assessment and public consultation process in order to comply with national law. As discussed above, the environmental assessment and public consultation process as well as resulting management plans, are determined by national laws and the relevant country governing body and will also be required to comply with IDB policies.

VII. RECOMMENDATIONS AND REQUIREMENTS

- 7.1. The corporate level environmental and social management system of Abengoa is a robust and detailed system. There are, however, a few differences between the Abengoa environmental and social policies and the IDB policies. In particular, the project classification system in IDB Directive B.3 will need to be implemented by Abengoa to assess the environmental and social risks and to determine whether the projects under consideration are category A, B or C in accordance with the IDB policy. The IDB Directive B.6 on public consultation will need to be applied to projects requiring stakeholder engagement and public consultation. The compliance with IDB Directive B.9 will also need to be carefully reviewed to ensure that projects will not significantly convert or degrade critical natural habitats especially with respect to vulnerable species or damage critical cultural sites. A review system will be needed to ensure compliance with these directives and all other relevant IDB policies for Abengoa projects selected for IDB financing.
- 7.2. In order to comply with the IDB policy requirements, prior to the date of financial closure, Abengoa will need to implement a specific environmental and social review procedure (ESRP) to assure that sub-projects are eligible for financing with IDB funds. The ESRP must be instituted at the Abengoa corporate level and implemented at the Sociedad level in a manner identical to Abengoa's corporate EMS. To achieve

compliance with IDB's conditions for the Abengoa Line of Credit, the ESRP must be integrated with Abengoa's corporate SCG and implemented at the Sociedad level in the seven countries in which Abengoa operates in Latin America. The procedures for implementing the recommended ESRP follow and a schematic diagram (see Figure 1) is included to further illustrate the procedure.

Step 1 - Exclusion List

The initial step in the process is to assure that the sub-project is not on the IDB Exclusion List (see annex 1).

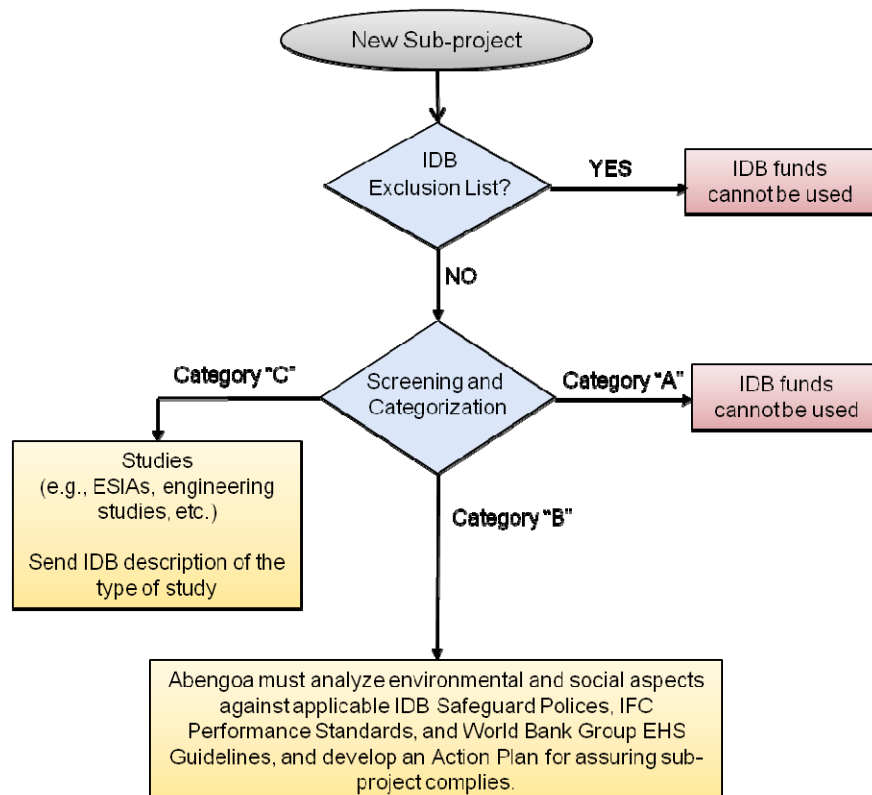
Step 2 - Screening and Categorization

Screening and Categorization involves an analysis of the sub-project to determine the potential magnitude of environmental and social risks and impacts. Abengoa shall apply IDB Environment and Safeguard Compliance Policy (OP-703) Directive B.3, Screening and Classification, and sub-projects will be categorized as A, B or C.

Step 3 – Policy Compliance

The step requires a review of project compliance with all relevant IDB Policies including Directives B.2 through B.12 of the Environment and Safeguards Compliance Policy (OP-703), Disaster Risk Management Policy (OP-704), Involuntary Resettlement Policy (OP-710), Gender Equality Policy (OP-761), Indigenous Peoples Policy (OP-765), and the Access to Information Policy (OP-102).

Figure 1: Schematic diagram of recommended Abengoa ESRP



- 7.3. An independent environment and social consultant will be appointed prior to financial closure and will confirm that an ESRP is in place to ensure compliance with IDB policies for projects to be financed by the line of credit. The consultant will conduct a desk review of eligible proposed projects and will conduct site visits to a representative sample of these projects on a defined schedule. For the desk review, Abengoa will prepare a report summarizing the results of the ESRP and this report will be reviewed by the consultant prior to disbursement of funds from the line of credit to confirm compliance with the ESRP and IDB policies. Abengoa will also prepare environmental and social compliance reports periodically throughout the life of the loan and these compliance reports will be reviewed by the consultant to confirm continued compliance with IDB policies. The Bank will also conduct periodic environmental and social supervision activities.
- 7.4. There are various environmental, social, labor, health and safety requirements for the individual projects. These requirements include the following:
1. The Bank (IDB) will require that the Abengoa and Abengoa Sociedades involved in the Operation shall, at all times during the life of the loan, comply with each of the following:
 - a. All applicable environmental, social, health and safety, and labor regulatory requirements of the country in which the Sociedad and Operation are located.
 - b. All requirements associated with any environmental, social, health and safety, and labor related permits, authorizations, or licenses that apply to the Operation, Abengoa or any party responsible for executing the operation or its mitigation measures.
 - c. All environmental, social, health and safety, and labor requirements of the Operation contracts and any subsequent modifications.
 - d. All aspects and components of all of the Operation's environmental, health and safety, social and labor documents.
 - e. All relevant World Bank environmental, health and safety guidelines and IFC Environment Health and Safety Guidelines
 - f. Consult with IDB before approving or implementing any and all substantive changes to the Operation (including its environmental and social management and mitigation plans) or its timetable which could potentially have negative environmental, social, labor, or health and safety effects.
 - g. Send written notice of any and all noncompliance with any environmental, health and safety, social and labor requirement of the loan agreement and any significant environmental, social, labor, health and safety accident, impact, event, claim or material complaint.
 - h. Ensure that all Abengoa contractors hired for construction and operation activities comply with the applicable environmental, labor, social and health and safety requirements of the loan agreement.
 - i. Implement ongoing information disclosure and consultation activities related to environmental, labor, social, and health and safety aspects of the

Operation, including disclosure of Environmental and Social Compliance Reports and, as applicable, participatory monitoring.

- j. Implement an environmental, health and safety, social and labor management system that is consistent with ISO 14001.
2. Prior to each disbursement, Abengoa shall certify compliance with all environmental social, health and safety, and labor requirements in the loan agreement. The compliance certification requires the implementation of an environmental and social review procedure through which Abengoa will determine the eligibility of proposed projects by assessing the potential environmental impacts and risks and reporting the results of this assessment together with measures to be implemented to control and mitigate impacts and risks. An independent environmental and social consultant will confirm the adequacy of this process and will issue a certificate of compliance.
3. Prior to each disbursement of the Facility, Abengoa shall present to the satisfaction of the Bank all agreed upon environmental, social, health and safety, and labor management or mitigation plans not already presented or scheduled for a later date.
4. During the life of the Loan Agreement, Abengoa must prepare and submit an Environmental and Social Compliance Report, in form, content and frequency acceptable to IDB.
5. To provide for Bank monitoring of the Operation's environmental, social, health and safety and labor aspects the Loan Agreement shall provide for:
 - a. Direct Bank supervision actions (e.g., site visits, review of documentation, consultations with affected parties and third parties, etc.).
 - b. The Bank's right to contract an external independent environmental consultant to perform more detailed supervision/monitoring actions during the Operation's construction and initial operation by the Sponsor/Borrower, and, as needed through the life of the loan.
 - c. The Bank's right to contract for the performance of an independent environmental, social, health and safety, and labor audit, if the Bank deems necessary.

VIII. ANNEXES

Table 1: IDB Exclusion List
<u>Products, substances and activities that are illegal under host country laws, regulations or ratified international conventions and agreements.</u>
<u>Weapons and ammunitions.</u>
Tobacco. ¹
Gambling, casinos and equivalent enterprises. ²
Wildlife or wildlife products regulated under Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). ³
Radioactive materials. ⁴
Unbonded asbestos fibers. ⁵
Forestry projects or operations that are not consistent with the IDB's Environmental and Safeguards Compliance Policy (GN-2208-20).
Polychlorinated biphenyl compounds (PCBs).
Pharmaceuticals subject to international phase outs or bans. ⁶
Pesticides/herbicides subject to international phase outs or bans. ⁷
Ozone depleting substances subject to international phase out. ⁸
Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.
Transboundary trade in waste or waste products, ⁹ except for non-hazardous waste destined for recycling.
Persistent Organic Pollutants (POPs). ¹⁰
Non-compliance with the Fundamental Principles and Rights at Work. ¹¹

1 This does not apply to [companies] who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a company's primary operations.

2 This does not apply to [companies] who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a company's primary operations.

3 <http://www.cites.org>

4 This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where it can be demonstrated that the radioactive source is to be trivial and/or adequately shielded.

5 This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is <20%.

6 Pharmaceutical products subject to phase outs or bans in United Nations, Banned Products: Consolidated List of Products Whose Consumption and/or Sale Have Been Banned, Withdrawn, Severely Restricted or not Approved by Governments. (Last version 2008, http://www.who.int/medicines/areas/quality_safety/safety_efficacy/pharm_restrictions/en/index.html)

7 Pesticides and herbicides subject to phase outs or bans included in both the Rotterdam Convention (<http://www.pic.int>) and the Stockholm Convention (<http://www.pops.int>).

8 Ozone Depleting Substances (ODSs) are chemical compounds which react with and deplete stratospheric ozone, resulting in the widely publicized 'ozone holes'. The Montreal Protocol lists ODSs and their target reduction and phase out dates. The chemical compounds regulated by the Montreal Protocol include aerosols, refrigerants, foam blowing agents, solvents, and fire protection agents. (http://ozone.unep.org/Publications/6ii_publications%20handbooks.shtml).

9 Define by the Basel Convention (<http://www.basel.int>).

10 Defined by the Stockholm Convention on the reduction and elimination of persistent organic pollutants (POPs) (2001) and presently include the pesticides aldrin, chlordane, dieldrin, endrin, heptachlor, mirex, and toxaphene, as well as the industrial chemical chlorobenzene (<http://chm.pops.int/>).

11 Fundamental Principles and Rights at Work means (i) freedom of association and the effective recognition of the right to collective bargaining; (ii) prohibition of all forms of forced or compulsory labor; (iii) prohibition of child labor, including without limitation the prohibition of persons under 18 from working in hazardous conditions (which includes construction activities), persons under 18 from working at night, and that persons under 18 be found fit to work via medical examination; and (iv) elimination of discrimination in respect of employment and occupation, where discrimination is defined as any distinction, exclusion or preference based on race, color, sex, religion, political opinion, national extraction, or social origin. (International Labor Organization: <http://www.ilo.org>).

SAFEGUARD POLICY FILTER REPORT

This Report provides guidance for project teams on safeguard policy triggers.

PROJECT DETAILS	IDB Sector	ENERGY-ALTERNATIVE SOURCES OF ENERGY
	Type of Operation	Financial Intermediation/Global Credit
	Additional Operation Details	
	Investment Checklist	Generic Checklist
	Team Leader	Sequi, Valentina (VALENTINAS@iadb.org)
	Project Title	Abengoa Line of Credit
	Project Number	RG-L1045
	Safeguard Screening Assessor(s)	Canfield, Mary Eloise (eloisec@iadb.org)
	Assessment Date	2011-10-27
	Additional Comments	

SAFEGUARD POLICY FILTER RESULTS	Type of Operation	Loan Operation	
	Safeguard Policy Items Identified (Yes)	The Bank will make available to the public the relevant Project documents.	(B.01) Access to Information Policy– OP-102
		The operation is in compliance with environmental, specific women's rights, gender, and indigenous laws and regulations of the country where the operation is being implemented (including national obligations established under ratified Multilateral Environmental Agreements).	(B.02)
		The Bank will monitor the executing agency/borrower's compliance with all safeguard requirements stipulated in the loan agreement and project operating or credit regulations.	(B.07)

		Operation for which ex-ante impact classification may not be feasible. These loans are: Policy-based loans, Financial Intermediaries (FIs) or loans that are based on performance criteria, sector-based approaches, or conditional credit lines for investment projects.	(B.13)
	Potential Safeguard Policy Items(?)	No potential issues identified	
	Recommended Action:	Operation has triggered 1 or more Policy Directives; please refer to appropriate Directive(s), including B13, for guidance. No project classification required. Submit Report and PP (or equivalent) to ESR.	
	Additional Comments:		

ASSESSOR DETAILS	Name of person who completed screening:	Canfield, Mary Eloise (eloisec@iadb.org)
	Title:	
	Date:	2011-10-27

SAFEGUARD SCREENING FORM

This Report provides a summary of the project classification process and is consistent with Safeguard Screening Form requirements. This operation has been classified as a financial intermediation operation and is addressed under the requirements of Directive B.13 of the Environment and Safeguards Compliance Policy (OP-703).