



EU EBRD Romania SME Sustainable Energy Finance Facility

## Environmental Eligibility Criteria for Small Hydro Energy Projects

### Procedure and check-list

All hydroelectric electricity investments must pass an **EBRD Environmental Eligibility Check** to be eligible for RoSEFF financing. This condition applies to both:

- **Micro hydro energy investments** using equipment selected from the List of Eligible Materials and Equipment (LEME) that involve RoSEFF financing of up to 250,000 EUR.
- **Small hydro energy investments** of up to 10 MW that benefit from an EU financed (free) Rational Energy Utilisation Plan and involve RoSEFF financing of up to 1 million EUR.

The steps financing a hydro energy investments using RoSEFF are:

1. Send a Letter of Engagement to the Project Consultant (PC) – meaning Tractebel Engineering.
2. Send copies of technical reports, authorisations and documentation relating to the proposed investment - such as an environmental impact report – to the PC.
3. The PC will review the documentation and if deemed necessary will visit the project. **See Annex (check-list) for an indication of the issues to be considered.**
4. When all necessary information is collected, the PC will declare the project is in line with EBRD's eligibility criteria and with national legislation. The statement including supporting documentation will be sent to the Technical Co-operation ("TC") Operation Leader in the EBRD.
5. The EBRD TC Operation Leader will send the documentation to the Bank's Environmental Department, which will confirm acceptance of the PC's opinion or not confirm acceptance within 5 working days and will inform EBRD TC Operation Leader on the decision stating reasons for non-acceptance where applicable. The TC Operation Leader will inform the PC on the decision.
6. The PC will inform the project sponsor and the Participating Financial Institution on the decision. All accepted projects will be further developed as per usual procedure, meaning:
  - For micro hydro energy investments – the PC will issue an 'AVIZ LEME'
  - For small hydro energy investments – the PC will prepare a Rational Energy Utilisation Plan, if applicable.
7. In case of non-acceptance the project sponsor will be informed in writing and will have the right to appeal the decision.

Annex: Check-list

RoSEFF - Eligibility Criteria for Small Hydro Power Projects		
Eligibility Criterion	Descriptor	Evidence
<p><b>Regulatory Compliance:</b> The facility complies with the requirements of national environment, health and safety law.</p>	<ul style="list-style-type: none"> <li>The facility, or proposed facility, has all the necessary permissions and permits required under national law.</li> </ul>	<ul style="list-style-type: none"> <li>The developer has undertaken an Environmental Impact Assessment where required by national authorities and that EIA has been disclosed to the public in accordance with national requirements.</li> <li>The developer has obtained the required licences and permits to build and operate the facility.</li> </ul>
<p><b>Water Flow:</b> The facility maintains a minimum flow in the river that is adequate for the existing fish population, wildlife and water quality taking into account seasonal fluctuations in flow levels.</p>	<ul style="list-style-type: none"> <li>Maintain a minimum wetted channel perimeter, at all control structures, with a constant flow in the river throughout the year.</li> <li>Facility viability to be based on minimum flow required for river to sustain existing environment.</li> </ul>	<ul style="list-style-type: none"> <li>Justification must be provided in the light of the requirement to provide an adequate flow for fish, wildlife and water quality.</li> </ul>
<p><b>Water Quality:</b> The facility does not contribute to deterioration of water quality either upstream or downstream of the facility.</p>	<ul style="list-style-type: none"> <li>The facility has minimal impact on water quality in the head pond, bypassed reach and the reaches downstream of the tailrace and diversion dams / dykes.</li> </ul>	<ul style="list-style-type: none"> <li>The facility has not contributed to a deterioration of water quality post construction.</li> </ul>

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<p><b><i>Fish Passage and Protection:</i></b> The facility had minimal impact on local fish populations, provides effective fish passage for local and migrating fish species and also protects fish from entrainment.</p>	<ul style="list-style-type: none"> <li>• There should be minimal loss of fish or fish habitat.</li> <li>• Facility preserves resident fish communities.</li> <li>• Facility preserves ability of fish to move and migrate.</li> <li>• Flows in the bypassed reach and downstream of the tailrace are adequate to support aquatic and riparian species at pre-facility ranges</li> </ul>	<ul style="list-style-type: none"> <li>• Information has been gathered on both the local and migrating fish populations.</li> <li>• The developer understands the particular structure and needs of the fish within the area of the facility.</li> <li>• The developer has provided adequate mitigation measures to ensure that the eligibility criteria are met.</li> </ul>
<p><b><i>Watershed Protection:</i></b> The facility does not negatively impact environmental conditions in the watershed.</p>	<ul style="list-style-type: none"> <li>• The facility does not affect the integrity of the existing ecosystem either upstream or downstream of the facility.</li> <li>• Additional components of the facility e.g. access roads, power lines, and generation facilities have minimal impact on the riparian environment.</li> </ul>	<ul style="list-style-type: none"> <li>• An assessment of impacts associated with additional components has been made.</li> <li>• An assessment of upstream and downstream impacts has been made.</li> <li>• Adequate mitigation measures have been provided to ensure the eligibility criteria are met.</li> </ul>
<p><b><i>Threatened &amp; Endangered Species Protection:</i></b> The facility does not negatively impact any threatened or endangered species nor any areas designated for their protection.</p>	<ul style="list-style-type: none"> <li>• The facility is not constructed on a protected or sensitive river.</li> <li>• The facility does not threaten or harm the habitat or migration patterns of endangered species, threatened species or species of regional concern.</li> <li>• The facility has no significant impact on existing wildlife habitat and populations.</li> </ul>	<ul style="list-style-type: none"> <li>• Sensitive or protected areas on or around the river have been identified.</li> <li>• Endangered or threatened species present in the area of or downstream from, the facility have been identified.</li> <li>• The developer has assessed the potential impact of the facility on any such areas or species.</li> <li>• The developer has provided adequate mitigation measures to ensure that the eligibility criteria are met.</li> </ul>

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<p><b>Recreation:</b> The facility does not stop or limit recreational uses of the river.</p>	<ul style="list-style-type: none"> <li>• Access to the water remains unchanged by the facility and accommodates recreational activities on the river.</li> </ul>	<ul style="list-style-type: none"> <li>• Identification of any current recreational uses of the river around the site of the facility and confirmation that these will not be affected by the development of the facility.</li> </ul>
<p><b>Cultural Issues:</b> The facility does not inappropriately impact cultural property</p>	<ul style="list-style-type: none"> <li>• Cultural property includes sites having archaeological (prehistoric), paleontological, historical, religious and unique natural values. Cultural property therefore includes remains left by previous human inhabitants and unique natural features such as canyons and waterfalls.</li> </ul>	<ul style="list-style-type: none"> <li>• Cultural property in the vicinity of the facility has been identified.</li> <li>• Adequate mitigation measures have been put in place to ensure eligibility criteria are met.</li> </ul>
<p><b>Community Issues:</b> The facility does not reduce local community use of either the river or the surrounding lands.</p>	<ul style="list-style-type: none"> <li>• The facility does not stop or limit local communities' ability to utilise the river to provide a livelihood, i.e. by fishing, as a leisure amenity or to utilise the land around the river where they may rely on the river for irrigation purposes.</li> </ul>	<ul style="list-style-type: none"> <li>• Local community uses of the river have been identified.</li> <li>• The locally affected community has been notified and consulted prior to the development of the facility.</li> <li>• Adequate mitigation measures have been agreed to ensure that eligibility criteria are met.</li> <li>• Such mitigations measures might include providing access to power particularly in situations where local power supply is inadequate.</li> </ul>



Produced with the financial assistance of the European Union.