Concept Note

Implementing Hybrid Low-Carbon Systems to Improve Energy Supply and Energy Efficiency while Mitigating Climate Impact for SMEs in Colombia, Honduras and Panamá

Colombia, Honduras and Panamá | Central American Bank for Economic Integration (CABEI)

8 May 2019

GREEN CLIMATE FUND

Simplified Approval Process
Concept Note

Programme Title:	"Implementing Hybrid Low-Carbon Systems to Improve Energy Supply and Energy Efficiency while Mitigating Climate Impact for SMEs in Colombia, Honduras and Panamá"
Country(ies):	Colombia, Panamá, Honduras
National Designated Authority(ies) (NDA):	Colombia: National Planning Department Honduras: Ministry of Energy, Natural Resources, Environment and Mining Panama: National Environmental Authority of Panama (ANAM)
Executing Entities:	EQ Green s.a.s./ EQ Green Fund I
Accredited Entity(ies) (AE):	Central American Bank for Economic Integration (CABEI)
Date of first submission/ version number:	*[2019-03-14] [V.1.1]*
Date of current submission/ version number	*[2019-03-14] [V.1.1]*

Please submit the completed form to **sap@gcfund.org**,
using the following name convention in the subject line and file name:
"CN-[Accredited Entity or Country]-YYYYMMDD"

A. Project / Programme Information (max. 1 page)			
A.1. Project or programme	☐ Project ☒ Programme	**A.2. Public or private sector**	☐ Public sector ☒ Private sector
A.3. Indicate the result areas for the project/programme	Mitigation: Reduced emissions from: ☒ Energy access and power generation ☐ Low emission transport ☐ Buildings, cities and industries and appliances ☐ Forestry and land use Adaptation: Increased resilience of: ☐ Most vulnerable people and communities ☐ Health and well-being, and food and water security ☐ Infrastructure and built environment ☐ Ecosystem and ecosystem services		
A.4. Estimated mitigation impact (tCO2eq over lifespan)	2,834,438.11 TonCO2/ 10 Years (5,669 TonCO2/MW/YR, Total MW 50, duration 10 years)	**A.5. Estimated adaptation impact (number of direct beneficiaries and % of population)**	NA
A.6. Indicative total project cost (GCF + co-finance)	Amount: USD $75,000,000	**A.7. Indicative GCF funding requested (max 10M)**	Amount: USD $9,000,000
A.8. Mark the type of financial instrument requested for the GCF funding	☐ Grant ☐ Loan ☐ Guarantee Other: specify_X_Equity		
A.9. Estimated duration of project/ programme:	a) disbursement period: 5 years b) repayment period, if applicable: 10 years	**A.10. Estimated project/ Programme lifespan**	20 years
A.11. Is funding from the Project Preparation Facility needed?	Yes ☐ No ☒	**A.12. Confirm overall ESS category is minimum to no risk[1]**	☒ C or I-3
A.13. Provide rational for the ESS categorization (100 words)	The project is deemed category C because it entails “activities with minimal or no adverse environmental and/or social risks and/or impacts”: The Private Equity Fund targets micro-scale renewable energy, retrofit renewable energy systems and energy efficiency for SMEs, the micro-generation stations in this project targets are in the .6 to 3MW range and they are hybrid solutions usually involving the most convenient combination of 100% renewables like PV and/or BIOGAs from "green waste", or a combination of renewables+low carbon natural gas with microturbines preferably with cogeneration where maximum efficiencies and returns can be obtained. When needed microturbines can meet California Air Resources Board (CARB) emission standards which are among the most stringent emissions requirements for distributed generation equipment in the world. When using combined heat and cooling applications, the efficiency of the overall solutions can be 70 to 90 percent. The results are significant reductions in greenhouse gas emissions ranging per project between 30% and close to 100% in the case of solar. EQ Green follows and subscribes to responsible investing due diligence framework for evaluating prospective fund investments. The framework to assess adoption of ESG principles, which are considered of key importance to the organization. The outcome of this assessment will frame our investment decision-making, as well as the negotiation of formal ESG conditions in the legal documents (i.e. side letter) and our responsible investing expectations. EQ Green Fund I, is committed to the integration of ESG standards into investment evaluation and governance as an important part of the value creation in its investments. For this purpose, we follow IFC performance standards.		
A.14. Has the CN been shared with the NDA?	Yes ☐ No ☒	**A.15. Confidentiality[2]**	☐ Confidential ☒ Not confidential

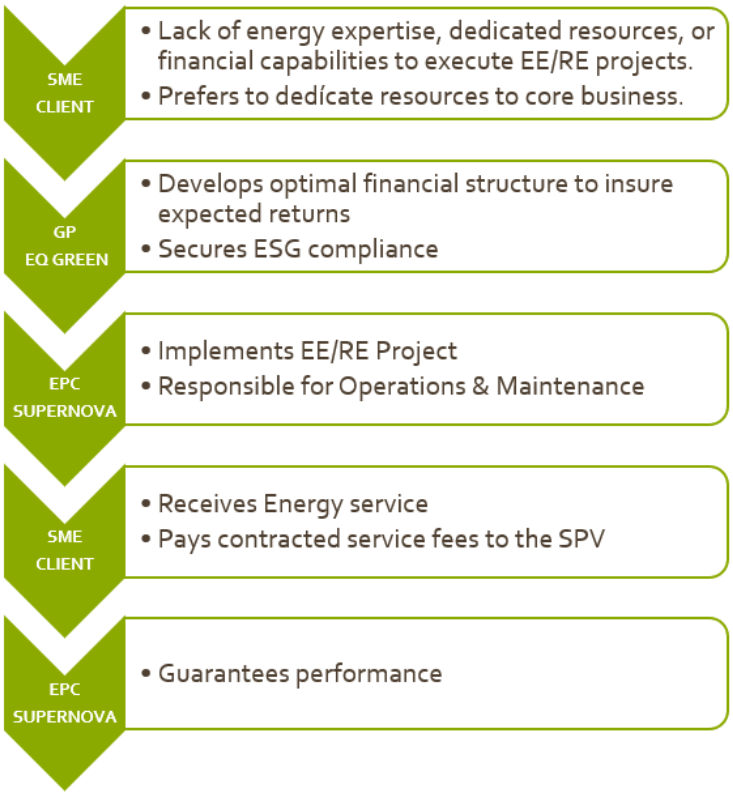
[1] Refer to the SAP ESS Guidelines

[2] Concept notes (or sections of) not marked as confidential may be published in accordance with the Information Disclosure Policy (Decision B.12/35) and the Review of the Initial Proposal Approval Process (Decision B.17/18).

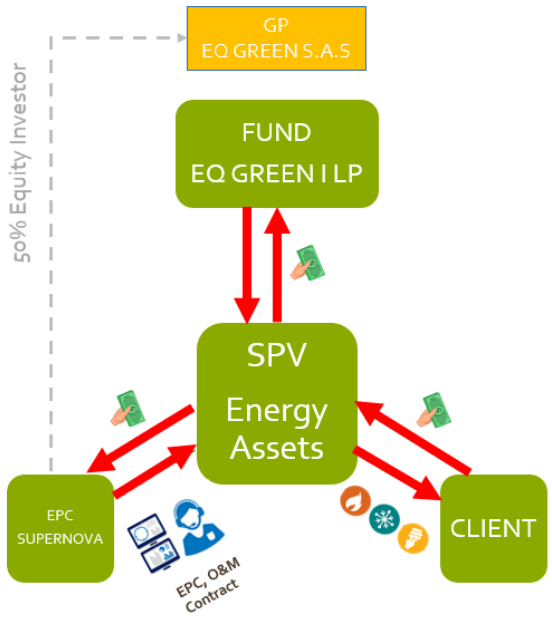
A.16. Project/Programme rationale, objectives and approach of programme/project (max 100 words)

There is a current gap in energy needs, those who are served are characterized by a combination of; poor reliability, inefficient energy use (no cogeneration or tri-generation), this situation combined by the fact that many regional grids carry power transmission and distribution losses above 20% from older generation thermal plants create an attractive environment to reduce and mitigate climate impact while realizing savings. In most cases, SMEs have a diesel-based backup-generation system and onsite 7X24 solutions are not even considered viable, here the paradigm needs to be changed. Efficiently designed distributed micro-generation systems have a proven positive climate impact as GHG emission are significantly reduced or eliminated.

The implementing approach by EQ Green Fund I is to design, build and operate climate-friendly behind the meter micro-generation stations through strategic partnerships with EPC allies and the deal flow coming from EPC and key OEM relationships. EQ Green Fund I with its General Partner EQ Green s.a.s. will be responsible to implement responsible investments according to ESG practices. The following diagram illustrates the process:



The EQ Green Fund I Limited Partnership owns the assets through SPVs (Special Purpose Vehicles.)



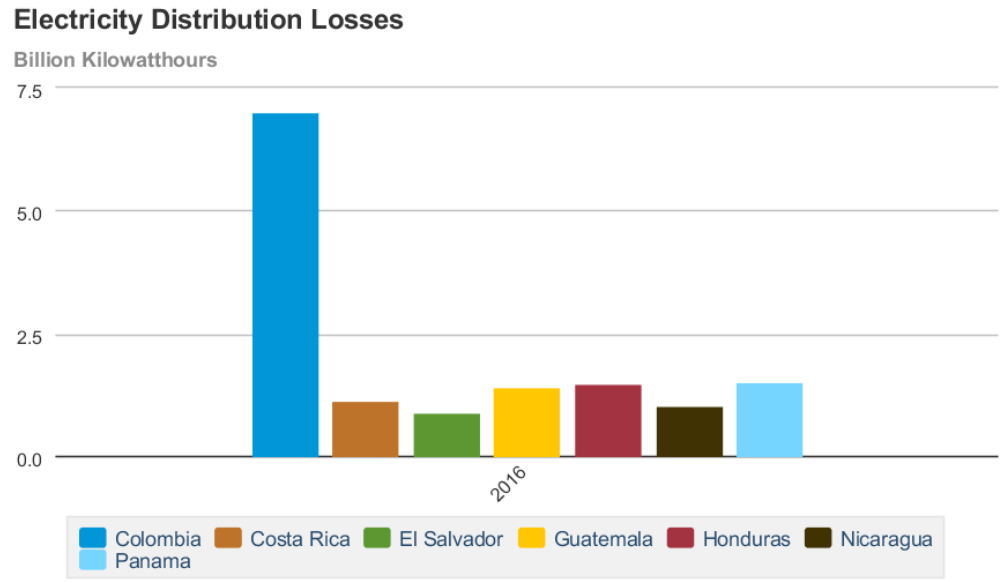
B. Project / Programme details (max. 3 pages)

B.1. Context and Baseline (max. 1 page)

The market for on-site energy services in target countries for this Programme are Colombia, Honduras, and Panama which can be expanded and implemented to other countries in Central America since they all share very similar situations and are at a time of transformation. The point of departure is an underserved EE/RE market with barriers to financing including limited knowledge and experience by local financial institutions. Improved efficiency in energy consumption is of paramount importance for these countries since it is expected that the domestic demand for electricity will grow steadily over the coming years. In the case of Colombia national projections expect an increase in demand of nearly 31% between 2015 and 2028, while at the same time the annual cost of energy losses is estimated at US$ 5.2Bn. Both national and international studies have identified significant EE/RE market opportunities, and policy and regulatory initiatives are increasingly aiming to realize these potentials.

The aging nature of the transmission system in the countries where this programme is expected to be implemented presents ongoing reliability issues, facing outages for more than 20 hours annually. Often grid capacity issues severely restrict the integration of newer renewable generation units. The shift to local and distributed generation of renewable energy will play an important role in reducing electricity loss in the countries of interest.

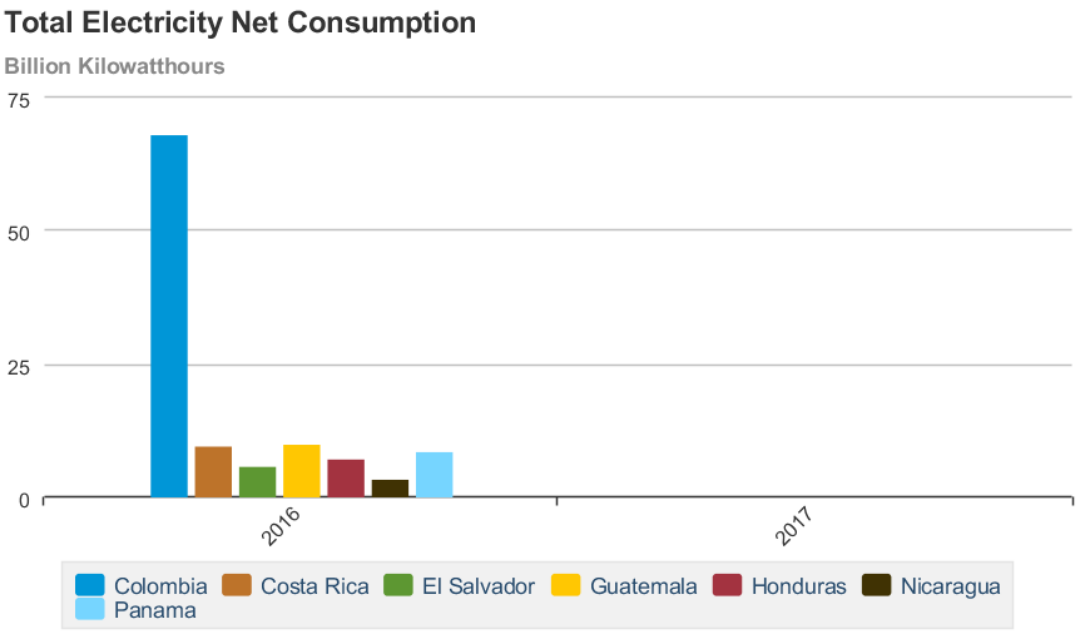
Technical losses that occur during transmission and distribution from centralized power plants over large distances, as well as non-technical losses such as illegal connections are another element that corroborates the value proposition of distributed on-site energy. In 2016, the average electricity loss rate across Central America was around 18 percent. Honduras had the highest loss level at more than 34.1 percent, followed by Nicaragua at nearly 23 percent. Until transmission investments and upgrades are made that enable the development of utility-scale wind and solar power, the distributed generation sector will offer the biggest opportunities for renewable energy in these countries. The following tables illustrate the power transmission losses:



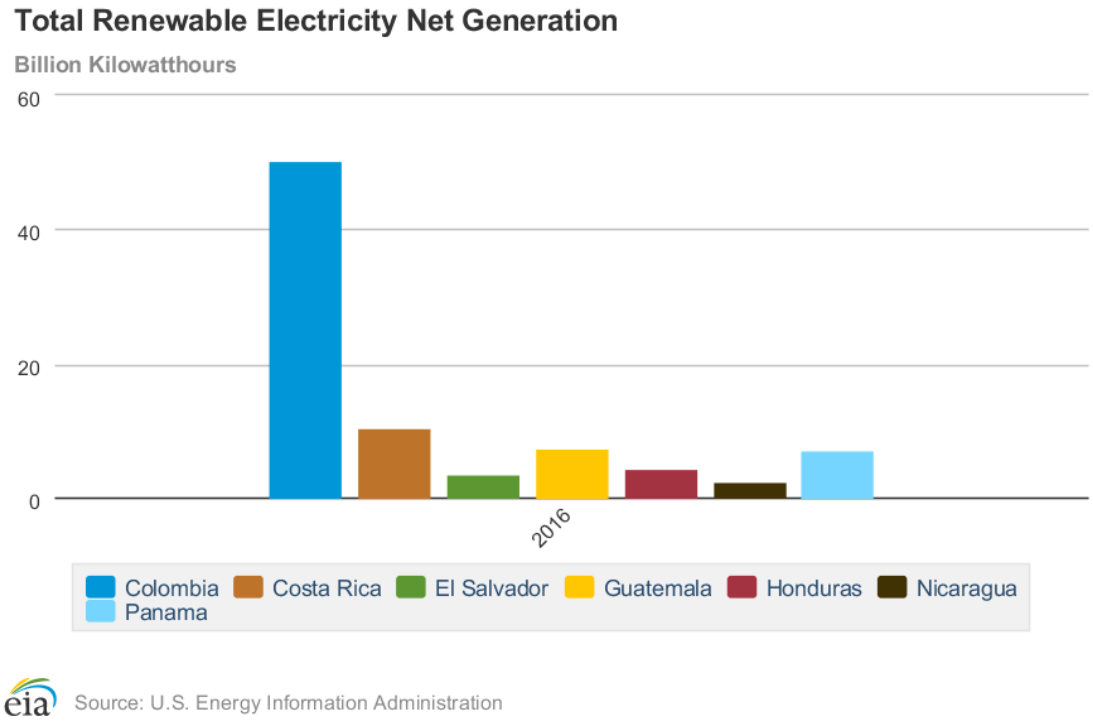
Source: U.S. Energy Information Administration

Energy efficiency is another area of opportunity in Honduras, Panamá and Colombian markets. Certain sectors are inefficient users of energy, refrigeration accounts for 70 percent of energy consumption among many target countries small businesses. Hence, the energy efficiency sector can play a vital part in the energy mix due to its substantial yet untapped potential to generate energy and cost savings. Colombia is 80% of the target investments, and the remaining 20% in Honduras, and Panama. The situation in these countries is very similar, local regulations accommodate and, in many cases, promote the need to fulfill demand while mitigating GHG emissions avoiding grid power transmission losses. This makes the operation of distributed hybrid microgeneration units an attractive and viable alternative. Individual country national development plans all support these programmes objectives.

The gap between consumption and existing renewable generation capacity in the proposed countries for this programme are the following:



Source: U.S. Energy Information Administration

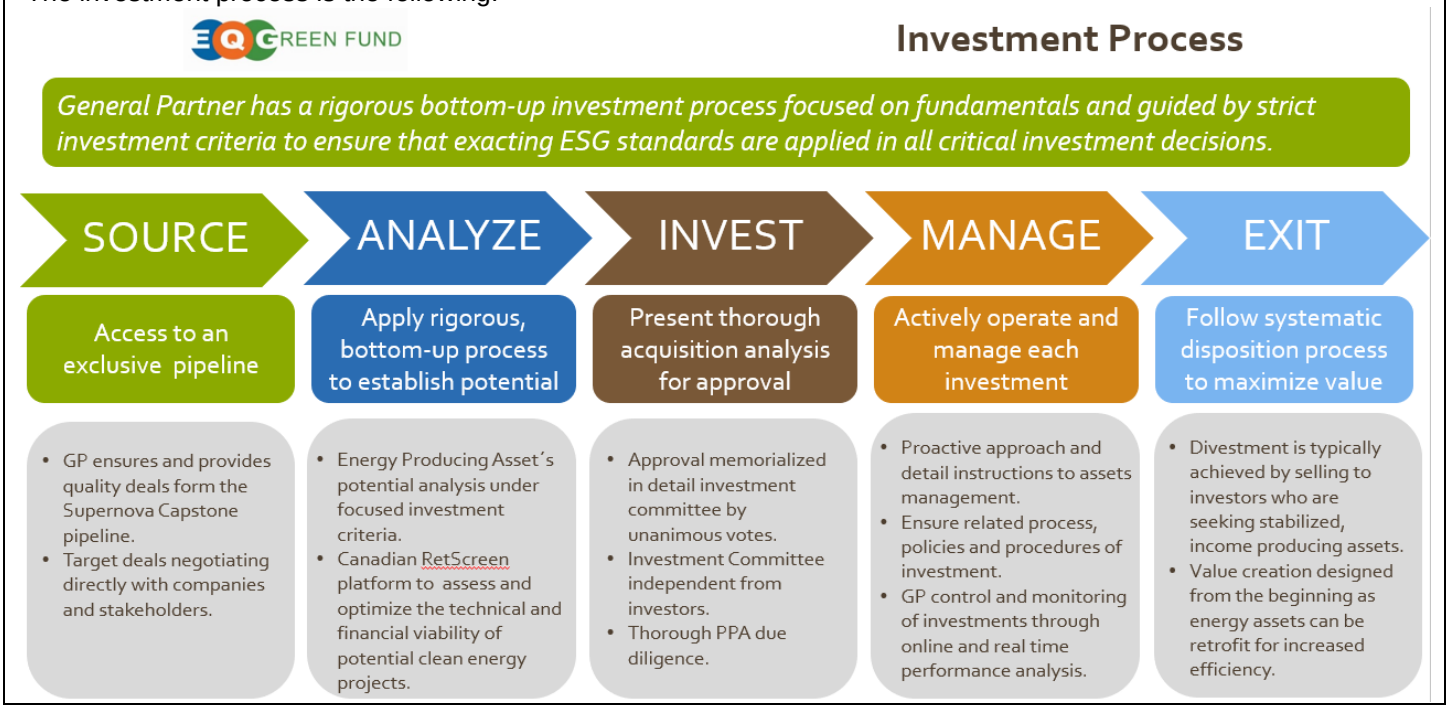


B.2. Project / Programme description (max. 1 page)

EQ Green Fund I is a Private Equity Fund promoting energy efficiency (EE) and renewable energy (RE) generation with a niche strategy in Micro-Generation offering SMEs on-site reliable high-efficiency co-generation/tri-generation energy producing assets focused on reducing energy consumption and greenhouse gas emissions. The target is to raise $60 million USD to invest in micro-generation stations that efficiently produce cooling, heating and electrical needs for commercial, industrial, and agribusiness SME clients making them self-sufficient from the grid. The benefits to the client are; 1-Reducing energy costs, 2-Reducing GHG (Green House Gas) emissions, 3-Reducing exposure to interruptions, 4-Not distracting operational responsibilities or valuable CAPEX from clients' core business needs.

The Executing Entity for this Fund is EQ Green S.A.S. (www.eq-green.com). LarrainVial Colombia is the fund administrator for EQ GREEN FUND I LP formally approved by the *Superintendencia Financiera de Colombia*. LarrainVial, founded in 1934, is one of the main financial institutions in Latin America. Over 800 experts service over 50,000 clients in Chile, Colombia, Peru, and the United States, with more than USD 17.1 billion assets under management.

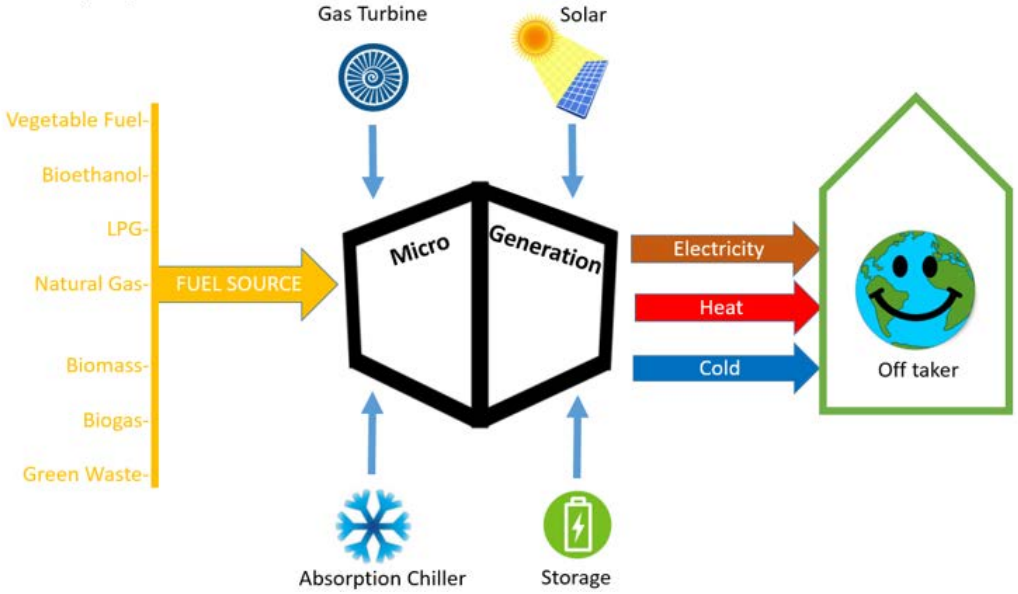
The investment process is the following:



EQ Green Fund I Micro-Generation Stations generate heating, cooling, and power from clean or renewable sources. When used in combined heat and cooling applications, the efficiency of the overall solutions can be 70 to 90 percent. This is significantly better than traditional centralized electricity generation with many times significant power transmission and distribution losses above 20%. The results are significant reductions or elimination of greenhouse gas emissions. With the use of an anaerobic digester, we can cleanly and effectively run on methane gas from landfills, wastewater treatment facilities, and food processing facilities, as well as agriculture waste, which is often referred to as "green waste." The national development plans for the targeted countries all address the need to promote climate-friendly energy for development.

The proposed programme focuses on the better model that has emerged combining newly cost-effective renewable energy from solar sources with conventional gas-fuelled generation. These installations, called hybrid microgrids, may also employ energy storage to add power system stability to enable further energy cost reductions. Hybrid microgrids are well suited to a host of applications in the proposed power range (.6-3 MW) of this program especially due to a sharp decline in the cost of solar energy, as well as lower energy storage costs relative to the price of fuel.

The following diagram illustrates the hybrid approach.



We seek from GCF a pioneer equity investment to promote EQ Green Fund I by providing the anchor investment that will act as a catalyst that other Development Financial Institutions and other private sector investments can follow. Obtaining an anchor investment in pioneer funds is a significant challenge, EQ Green Fund I believe CABEI-GCF to be the ideal catalyst to mobilize resources.

The fund's niche strategy in the .6-3 MW power range targets SMEs in urban or rural locations offering them on-site reliable high-efficiency energy producing assets resulting in risk-adjusted returns of 15-18% IRR (leverage in the 40%-60% range can significantly raise the unlevered returns we estimate average leverage will be 25%). Investments per LP owned Special Purpose Vehicles (SPV's) are between US$ 1-6 million. The investment period is 5 years and the holding period is 10 years.

Accredited Institution CABEI (Central American Bank for Economic Integration) is in a position to be a catalyst since all countries where the project is expected to be implemented are serviced by this institution. Additionally, the energy sector is a focal area for this development institution and support to SMEs has been a constant for many years enabling this institution to be the main supporter for SMEs in the Central American Region through its extensive network of Intermediary Financial Institutions. In the case of Colombia, and apart of direct interventions of CABEI, credit line facilities are in place with the Financiera de Desarrollo Nacional (FDN) and Financiera de Desarrollo Territorial S.A. (Findeter) that include solutions for SMEs and Green Development.

B.3. Expected project results aligned with the GCF investment criteria (max. 1 page)

Impact Potential

Considering GCF´s Performance Measurement Framework Indicators the programme will contribute with positive impacts by reducing 2,834,438.11 TonCO2/10 Years and energy consumption in Colombia, Honduras, and Panama by promoting energy efficiency and renewable energy generation with a niche strategy in Micro-Generation offering SMEs on-site reliable high efficiency co-generation and tri-generation energy producing assets. This will contribute to reaching the greenhouse gas reduction goals the countries have pledged by 2030.

This programme will also address a key barrier in scaling up of low-emission energy in the affected countries, which is access to financing and limited knowledge and experience by local financial institutions. For CABEI, the energy sector is a focal area and its support to SMEs has been a constant for many years, enabling this institution to be the main supporter for SMEs in the Central American Region.

Indicators	Expected results
Expected tonnes of carbon dioxide equivalent (t CO2 eq) to be reduced or avoided.	2,834,438.11
Expected number of MW of low-emission energy capacity installed, generated and/or rehabilitated	50

Paradigm shift potential
The programme offers the opportunity to adopt new technologies by targeting an underserved market. EQ Green Fund I Micro-Generation Stations generate heating, cooling, and power from clean or renewable sources. When used in combined heat and cooling applications, the efficiency of the overall solutions can be 70 to 90 percent. The results are significant reductions or elimination of greenhouse gas emissions. With the use of an anaerobic digester, we can cleanly and effectively run on methane gas from landfills, wastewater treatment facilities, and food processing facilities, as well as agriculture waste, which is often referred to as “green waste.” The programme also unlocks the process for private investors to feel more comfortable in investing in a “first time fund” who’s niche strategy in the micro-generation power range (.6-3 MW) more suitable for SMEs.

Sustainable development potential: Economic co-benefits
The aging nature of the transmission system in Colombia, Honduras and Panamá creates ongoing reliability issues, with many areas facing outages for more than 20 hours annually, also communities in remote and rural areas that are not connected to the main distribution system often have electricity less than eight hours per day. The programme will not only have a positive impact by reducing tonnes of equivalent CO2 by promoting energy efficiency and renewable energy but may also contribute to an increase in energy security by targeting areas involved with poor grid access and reliability issues.

Needs of the recipient
The programme offers opportunities to overcome barriers to financing EE/RE projects for SMEs in the target countries. Hybrid low-carbon micro-generation stations solutions proposed in this programme are not yet fully understood by potential investors so there is a lack of alternative funding sources. For the SMEs to obtain traditional financial sources it is either unavailable or too costly. There is a lack of knowledgeable capital in the energy micro-generation sector. Capital investing and financing in traditional energy projects abounds and is very sophisticated, however, it is not interested in the lower range of this programme $1-$6 million per project for considering this segment as “too small”.

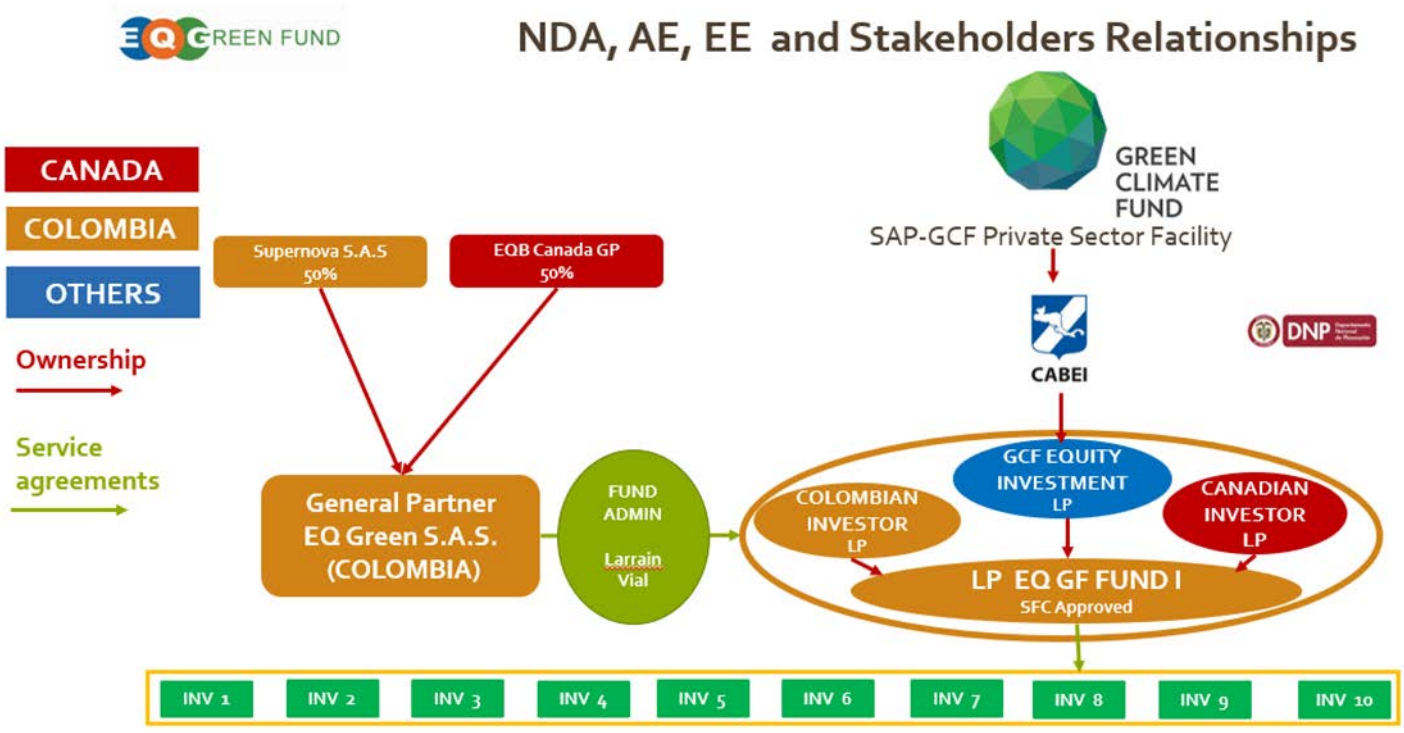
Country ownership
The NDA authority in Colombia and the National Planning Department, has been contacted directly and the project has been presented in detail and it is aligned with the priorities for low emission and climate-resilient identified in the climate strategies. Colombia has made green growth and now added distributed energy a key strategy of its National Development Plan (NDP) 2018-2022. Other countries NDA´s will be contacted in Honduras and Panama. The National development plans of the target countries follow proactively SDG Goal 7 that ensures access to affordable, reliable, sustainable and modern energy and Goal 13 that makes a call to action to take urgent action to combat climate change and its impacts.

Efficiency and effectiveness
The capital of the proposed equity investment in this programme will be repaid at the end of the 10 years in which the fund is committed to hold the assets as part of its 10-year exit strategy. Returns will be in the range of 15% - 18% IRR. 1.5x-2.0x gross (unlevered). Leverage is limited up to 60% loan-to-value however the total aggregate leverage is estimated to be in the 25% level. Divestment is typically achieved by selling to investors who are seeking stabilized, income producing assets. Value creation is designed from the beginning as energy assets can be retrofit for increased efficiency for an additional 10-year production period.

C. Indicative financing / Cost information (max. 2 pages)

C.1. Financing by components (max ½ page)

Component	Indicative cost (USD)	GCF financing		Co-financing		
		Amount (USD)	Financial Instrument	Amount (USD)	Financial Instrument	Name of Institutions
Equity Investment: GCF	$9,000,000	$9,000,000	Equity			
Equity Investment: 5% of total fund size during the investment period.	$3,000,000			$3,000,000	Equity	EQ Green GP
Equity Investment	$48,000,000			$48,000,000	Equity	Other Institutions/Private TBD
Leverage Average total leverage 25%	$15,000,000			$15,000,000	Mezzanine Debt	TBD
Indicative total cost (USD)	**$75,000,000**	**$9,000,000**		**$66,000,000**		



C.2. Justification of GCF involvement (max 1/2 page)

We are seeking GCF anchor funding because although our team members have significant fund-raising background, asset management, design, build and operate experience in the asset class in this proposal, and private equity in-country and in-region 20+ years' experience, the fund is still considered a "pioneer fund". We are currently doing fundraising rounds with private investor such as energy distribution companies and are going through preliminary due diligence. We believe that a DFI anchor investor such as the GCF with the support of CABEI as Accredited Entity, will unlock the process for private investors to feel more comfortable in investing in a "first time fund" and in a fund the who's niche strategy in the micro-generation power range (.6-3MW) more suitable for SMEs. Traditionally, private investors knowledgeable capital in the energy generation sector are often only focused on much larger power ranges scales 20MW and above. On the other hand, our hybrid low-carbon micro-generation stations solutions are not yet fully understood by private sector investors. CABEI-GCF should become a catalyst unlocking access to SMEs in the target countries to become energy efficient while significantly reducing or eliminating their carbon footprints.

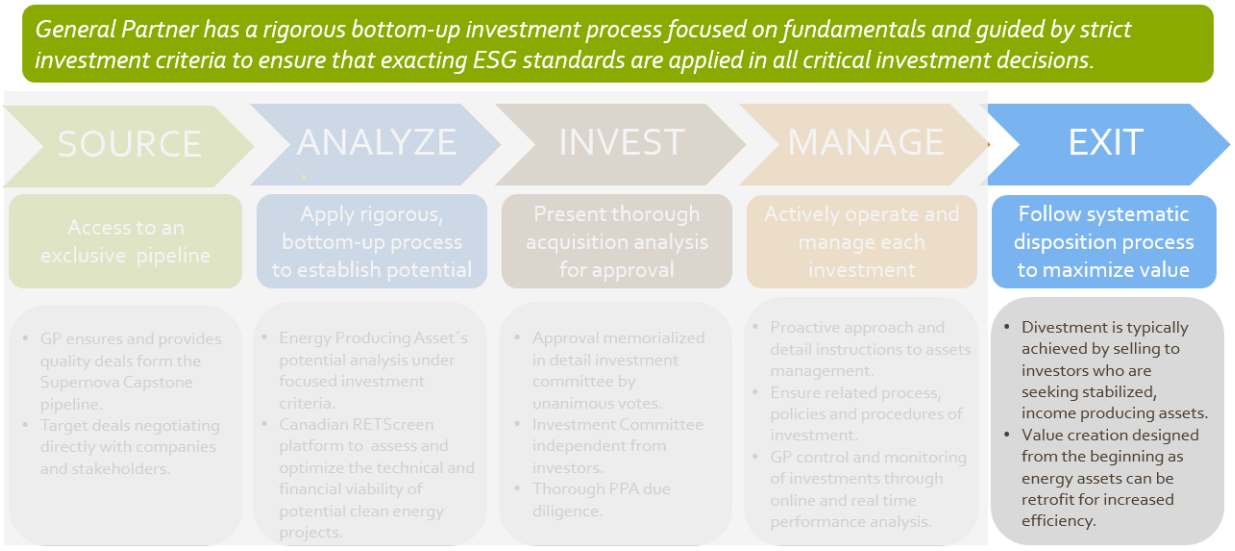
C.3. Sustainability and replicability of the project (exit strategy) (max. 1/2 page)

Sustainability is addressed via ESG principles In EQ Green there is a responsible investing due diligence framework for evaluating prospective fund investments following IFC Performance Standards. We use this framework to assess the adoption of ESG principles, which are important to the organization. The outcome of the assessments is included in our

investment decision-making process and investments will include the negotiation of formal ESG conditions in the legal documents (i.e. side letter) meeting our responsible investing expectations. We truly believe that the integration of ESG issues into investment evaluation and governance is an important part of the value creation in the investments. For this purpose, we adhere to IFC Performance Standards guidelines as part of our implementation of responsible ESG.

The demonstration effect of each executed project guarantees that interest will be generated in other SMEs and will act as an encouragement to adopt smart low carbon onsite microgrids.

The capital of the proposed equity investment in this project will be repaid at the end of the 10 years in which the fund is committed to holding the assets. Divestment is typically achieved by either offering a buyback option to the off-taker or by selling to third-party investor groups who are seeking stabilized, income producing energy assets. Value creation is designed from the beginning as energy assets can be retrofit for increased efficiency for 10 additional years thus facilitating the exit strategy since the assets have already been fully amortized.



C.4 Stakeholders engagement in the project or programme (max ½ page)

The NDA authority in Colombia is the National Planning Department that has been contacted directly and the project has been presented in detail. We foresee no issues as the alignment with the previous National Development Plan was already strong under a “green growth” strategy. The new emerging development plans for target countries go even further by making a stronger commitment to renewables and directly supporting distributed energy. In Colombia’s case, the new National Development Plan 2018-2022 embraces not only strong support for renewables but also adopts enabling measures to stimulate distributed energy.

Decree 348 of 2017March 1st, 2017, the Colombian Ministry of Mining and Energy (MINMINAS) issued the Decree 348 of 2017, as an amendment to Decree 1073 of 2015, in respect to the public policy guidelines upon efficient energy management and delivery of energy surpluses from small-scale self-generation. The Decree sets forth the public policy grounds regarding energy efficiency-related management, as well as the delivery of energy surpluses from small-scale self-generators, to the Regional Transmission System, or to the Local Distribution System. Regarding public policy related to small-scale self-generation, the Decree addresses the criteria for the recognition of a self-generator, provided that the generated power satisfies its own demand.

The region is adopting the three main trends that are transforming the electrical system and that together act in a virtuous cycle; Electrification, Digitalization, and Decentralization. Decentralization, spurred by the sharp decrease in costs of distributed energy resources (DERs) like distributed storage, distributed generation, demand flexibility, and energy efficiency are the focus of this programme promoting adoption of so-called grid edge technologies.

Highlights of Honduras and Panamá NDA´s National Development Plans and Regulatory Framework, which will be further engaged if the process moves forward, are:

Honduras: National Vision 2010-2038 and National Plan 2010-2022 (Visión de País 2010 – 2038 and Plan de Nación 2010- 2022).

The policy is based on the Electricity Law of 1994. In 2014 Honduras approved its new Law of Electrical Industry (Decree-Law 404-2013), which provides the legal framework for the electricity.

Panama: National Energy Plan 2015-2050 suggests that 70% of the country's energy supply could be renewable after 35 years. The plan was adopted as a long-term roadmap to diversify the energy sector and advance energy access, energy efficiency, energy security and overall decarbonization of the energy system.

Law 45. The purpose of the law is to establish incentives to promote hydroelectric generation systems and other non-conventional renewable energies. The law provides incentives for renewables, with specific laws to promote electricity from biomass (Law 42 of 2011), wind power (Law 44 of 2011) and solar power (Law 37 of 2013).

CABEI will have the role as Accredited Entity assisting the Executing Entity with its own internal policies and procedures to guarantee the proper administration and management of GCF proceeds as well as the monitoring, evaluation and reporting responsibilities set forth in the corresponding documentation between the parties involved. Also, in line with the Accreditation Master Agreement, CABEI will assist in the drafting and execution of the Funded Activity Agreement (FAA) and the Subsidiary Agreement required to ensure the management, implementation, and supervision of each Funded Activity selected by the Executing Agency.

The Accredited Entity (CABEI), would work very well under the SAP facility as the geographic scope of this project involves CABEI's member countries.

C.5 Monitoring and Evaluation and reporting plans (max ¼ page)

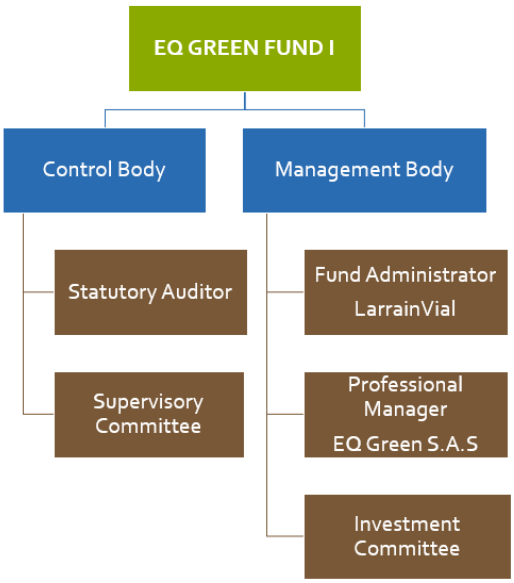
Monitoring and report will be conducted by the Accredited Entity, the Executing Entity and always reporting to the Control Body (Larrainvial Colombia) as the fund operates in a regulated environment including a supervisory committee where the investors are represented. CABEI's M&E will be in line with the Accreditation Master Agreement.

EQ GREEN FUND

Fund Governance

- EQ Green Fund I structure ensures the delivery of the platform operations in a regulated environment.
- External Investment Committee only approves with unanimous vote.
- 3 independent member form the Supervisory Committee where investors are represented (Comité de Vigilancia).

Risk Mitigation



D. Annexes

☒ ESS screening check list (Annex 1)
☒ Map indicating the location of the project/programme (as applicable)
☐ Evaluation Report of previous project (as applicable)

Annex 1: Environmental and Social Screening Checklist

Part A: Risk Factors

The questions describe the "risk factors" of activities that would require additional assessments and information. Any "Yes" response to the questions will render the proposal not eligible for the Simplified Approval Process Pilot Scheme. Proposals with any of the risk factors may be considered under the regular project approvals process instead.

Exclusion criteria	YES	NO
Will the activities involve associated facilities and require further due diligence of such associated facilities?	☐	☒
Will the activities involve trans-boundary impacts including those that would require further due diligence and notification to downstream riparian states?	☐	☒
Will the activities adversely affect working conditions and health and safety of workers or potentially employ vulnerable categories of workers including women, child labour?	☐	☒
Will the activities potentially generate hazardous waste and pollutants including pesticides and contaminate lands that would require further studies on management, minimization and control and compliance to the country and applicable international environmental quality standards?	☐	☒
Will the activities involve the construction, maintenance, and rehabilitation of critical infrastructure (like dams, water impoundments, coastal and river bank infrastructure) that would require further technical assessment and safety studies?	☐	☒
Will the proposed activities potentially involve resettlement and dispossession, land acquisition, and economic displacement of persons and communities?	☐	☒
Will the activities be located in protected areas and areas of ecological significance including critical habitats, key biodiversity areas and internationally recognized conservation sites?	☐	☒
Will the activities affect indigenous peoples that would require further due diligence, free, prior and informed consent (FPIC) and documentation of development plans?	☐	☒
Will the activities be located in areas that are considered to have archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values or contains features considered as critical cultural heritage?	☐	☒

Part B: Specific environmental and social risks and impacts

Assessment and Management of Environmental and Social Risks and Impacts	YES	NO	TBD
Has the AE provided the E&S risk category of the project in the concept note?	☐	☐	☒
Has the AE provided the rationale for the categorization of the project in the relevant sections of the concept note or funding proposal?	☐	☐	☒
Are there any additional requirements for the country?	☐	☒	☐
Are the identification of risks and impacts based on recent or up-to-date information?	☒	☐	☐
Labour and Working Conditions	**YES**	**NO**	**TBD**
Are the proposed activities expected to have impacts on the working conditions, particularly the terms of employment, worker's organization, non-discrimination, equal opportunity, child labour, and forced labour of direct, contracted and third-party workers?	☐	☒	☐

Will the proposed activities pose occupational health and safety risks to workers including supply chain workers?	☐	☒	☐
Resource Efficiency and Pollution Prevention	**YES**	**NO**	**TBD**
Are the activities expected to generate (1) emissions to air; (2) discharges to water; (3) activity-related greenhouse gas (GHG) emission; and (5) waste?	☒	☐	☐
Are the activities expected to utilize natural resources including water and energy?	☒	☐	☐
Will there be a need to develop detailed measures to reduce pollution and promote sustainable use of resources?	☐	☒	☐
Community Health, Safety, and Security	**YES**	**NO**	**TBD**
Will the activities potentially generate risks and impacts to the health and safety of the affected communities?	☐	☒	☐
Will there be a need for an emergency preparedness and response plan that also outlines how the affected communities will be assisted in times of emergency?	☐	☒	☐
Will there be risks posed by the security arrangements and potential conflicts at the project site to the workers and affected community?	☐	☒	☐
Land Acquisition and Involuntary Resettlement	**YES**	**NO**	**TBD**
Will the activities likely involve voluntary transactions under willing buyer-willing-seller conditions and have these been properly communicated and consulted?	☐	☒	☐
Biodiversity Conservation and Sustainable Management of Living Natural Resources	**YES**	**NO**	**TBD**
Are the activities likely introduce invasive alien species of flora and fauna affecting the biodiversity of the area?	☐	☒	☐
Will the activities have potential impacts on or be dependent on ecosystem services including production of living natural resources?	☐	☒	☐
Indigenous Peoples	**YES**	**NO**	**TBD**
Are the activities likely to have indirect impacts on indigenous peoples?	☐	☒	☐
Will continuing stakeholder engagement processes and a grievance redress mechanism be integrated into the management / implementation plans?	☐	☒	☐
Cultural Heritage	**YES**	**NO**	**TBD**
Will the activity allow continuous access to the cultural heritage sites and properties?	☐	☒	☐
Will there be a need to prepare a procedure in case of the discovery of cultural heritage assets?	☐	☒	☐

Sign-off: *Specify the name of the person responsible for the environmental and social screening and any other approvals as may be required in the accredited entity's own management system.*

Map indicating the location of the programme for Colombia, Honduras and Panamá.