

CASE STUDY 1

Hydro Electric Plant

In 2011, a joint venture consortium approached us seeking finance for a hydro-electric power project in South East Asia.

Hydro-electric projects provide affordable sources of energy essential for development, but they can also impact significantly on local communities and environments.

We undertook an extensive due diligence assessment of the project, appointing an independent advisor and reviewing the technical reports provided by the prospective client, including the Environmental Impact Assessment and the Resettlement Plan for affected communities.

Our assessment identified impacts including the relocation of one village and limited downstream environmental effects. We engaged closely with the prospective client to better understand the likely scale of environmental impacts and the mitigation measures put in place to address issues of concern raised by local communities.

Our Reputation Risk Committee considered the proposal, the responses provided by the prospective client and the independent advisor's report. The proposal was also subject to an assessment of compliance with the Equator Principles.

Funding for the project was approved subject to conditions including ongoing monitoring by an independent technical advisor during construction.