

## Environmental and Social Review Summary (ESRS) CEL - Upstream Loan for Wind Project – EL SALVADOR

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### 1. Transaction Overview

Comisión Ejecutiva Hidroeléctrica del Río Lempa (CEL) is an autonomous, non-profit public institution based in El Salvador, set up by virtue of Legislative Decree 137 of September 18, 1948<sup>1</sup>. With a mission to develop, preserve, manage and use energy sources and resources in El Salvador, CEL is also responsible for electric power generation, primarily through hydroelectric power. It is mainly aimed at: i) managing hydroelectric power plants in operation; ii) promoting renewable energies, by participating in expanding the use of geothermal, wind and solar energy sources; iii) guaranteeing power supply; iv) developing power infrastructure; and v) encouraging the collaboration between the public and private sectors to drive energy efficiency and sustainability.

This transaction (the “Project”) consists in a loan for CEL to finance the costs of the development phase of the Metapán wind project (100 MW) and the installation of meteorological evaluation towers (MET) to record wind conditions. The proceeds will be specifically used to finance the Project design, technical studies, environmental and social (E&S) studies, and other internal costs associated with the implementation of the Metapán wind project and the installation of four MET towers.

The Project is expected to: i) support the country’s efforts to diversify its energy grid and reduce its reliance on variable hydroelectric generation by carrying out the Metapán wind project; ii) contribute to El Salvador’s goal of reducing greenhouse gases (GHG) emissions; iii) increase the private sector’s participation in the energy industry; and iv) promote the development and promotion of non-conventional renewable energy sources.

### 2. Scope of the Environmental and Social Review of IDB Invest

The environmental and social assessment of the proposed Project consisted in a desk review of CEL’s E&S performance over time, namely its compliance with the following Performance Standards (PSs): PS 1: Assessment and Management of Environmental and Social Risks and Impacts; PS 2: Labor and Working Conditions; PS 3: Resource Efficiency and Pollution Prevention; and PS 4: Community Health, Safety and Security.

The Project is deemed aligned with the provisions of the Paris Agreement, based on an analysis performed in line with IDB Group’s Paris Alignment Implementation Approach.

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<sup>1</sup> [4069F51F-10C7-4735-A557-127CB9CD3067.pdf](#)

### 3. Environmental and Social Classification and Rationale

In compliance with IDB Invest's Environmental and Social Sustainability Policy, the Project has been classified as Category C, given the fact that the incremental impacts to be generated are null or negligible, and the proceeds from the transaction will only be used to defray the costs involved in the Project development studies and not to fund capital investments.

### 4. Environmental and Social Risks

#### 4.1 Assessment and management of environmental and social risks and impacts

As part of the Program for Universal Access to Energy (PAUE, in Spanish) in El Salvador, CEL produced an E&S management framework (ESMF). The PAUE seeks to support the Salvadorian government's efforts to make electric power universally accessible across the country, by implementing sustainable electrification modalities that maximize the use of renewable energies. The ESMF establishes guidelines to deal with the legal, environmental, social, occupational health and safety (OHS), and community engagement matters that shall be observed and implemented by CEL, in order to guarantee these works are sustainable.

Additionally, the ESMF includes: i) eligibility and exclusion<sup>2</sup> criteria for subprojects; ii) the classification of their E&S risks and iii) the minimum components of (a) the environmental and social management plan (ESMP) for subprojects to prevent, control or mitigate potential impacts, (b) the emergency response and contingency plan, (c) the monitoring plan, (d) the public consultation plan and (e) the grievance mechanism.

CEL also keeps an Integrated Management System Policy that defines the mandatory rules to be followed to guarantee that maintenance and continuous improvement practices are implemented under international standards of OHS management process handling. CEL follows a procedure to prepare, track and control corrective actions that define the courses of action in case of non-conformities, observations and opportunities of improvement are detected, as well as to eliminate the root causes creating them, review their effectiveness and record the process to handle them.

CEL's Emergency Preparedness and Occupational Accidents Procedure offers directions to prepare an effective emergency response by: i) holding emergency and evacuation plans; ii) verifying that emergency equipment is working properly; and iii) responding to, recording, investigating and notifying of occupational accidents. CEL has in place an Emergency and Evacuation Plan for its headquarters, which establishes the procedure to prevent human, material and economic losses in case of emergencies in CEL's administrative office building. CEL will, however, prepare and implement an Emergency and Evacuation Plan for the activities performed within the Project area.

#### 4.2 Labor and working conditions

Women take up 31.65% of the overall workforce in CEL, whereas they only hold 15.38% of top management positions. CEL has implemented a Human Capital Management Policy that: i) defines the criteria for handling its human resources; ii) sets the mechanisms to prevent health and safety risks for

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<sup>2</sup> Involving physical or economic displacement of the population, or located in critical habitats or indigenous territories, among other things.

workers; and iii) directs efforts to secure skilled resources in CEL's job positions. It also has an internal work rulebook, containing the mandatory technical and administrative rules, as well as a Code of Ethics, which establishes the principles, values, rules of engagement and commitments that must guide the actions of CEL's workers, service providers, the management's resources and fund administrators and professional interns.

CEL's Job Valuation, Classification and Salary Management Policy provides for fair, competitive compensation for their workers, with no preference and discrimination biases. Also, it targets compliance with the local legislation<sup>3</sup> by encouraging people with disabilities and special conditions to be hired by and stay at CEL.

CEL acknowledges trade unions as legal entities that are lawfully registered with the Ministry of Labor to act as representatives of their members, who in turn provide services to CEL. CEL entered into a collective bargaining agreement with the Salvadorian Unions of Workers in the Electrical Industry, and Similar and Associated Activities, which establishes the general conditions under which work must be carried out in its premises, as well as the benefits derived from it.

CEL has a Corporate Gender Committee and a Non-Discrimination, Gender Equality Corporate Policy in place, aimed at raising awareness across the company around the principles of equality, equity, non-discrimination and violence-free life for men and women at work, with standards to consolidate an institutional culture with a gender perspective, while guaranteeing non-discriminatory, equal development for all CEL staff. What is more, CEL's country-focused projects gather gender data which is further submitted to the Ministry of Environment for verification and publication.

In its procedure to manage cases of sexual harassment and discrimination in the workplace, CEL sets the steps for the end-to-end management of reports on workplace harassment, sexual harassment and discrimination. Moreover, it guides on how to identify all types of workplace violence.

Additionally, CEL's Policy for the Procurement and Contracting of Goods, Works, Services and Consultancies establishes the basic principles to plan, award, contract, monitor and settle the procurement and contracting of goods, works, services and consultancies.

CEL has a Procedure to Manage Occupational Risks, which defines the mechanisms to identify the workplace hazards and assess risks and opportunities, to implement the control measures that allow for guaranteeing the adequate level of protection of the workers' health and safety. CEL also has a Manual to Deliver, Use and Maintain the Personal Protection Equipment (PPE) handed to the workers. CEL, however, will produce a Hazard Identification and Control Matrix, and assess the Project's labor risks, which shall be applicable to CEL's employees, contractors and outsourced employees.

CEL has implemented a Procedure to Manage High-Risk Jobs, which sets out instructions and guidelines to make sure workers can identify the hazards and risks they are exposed to when performing their tasks and to define the necessary measures to prevent accidents, injuries or damage to the health of CEL staff, outsourced employees and contractors. CEL will implement the Work-at-Heights Permit for the installation, maintenance and decommissioning of the MET towers.

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<sup>3</sup> Article 63, [Equal Opportunities for People with Disabilities Law](#)

#### 4.3 Resource efficiency and pollution prevention

Due to its nature, the Project will not generate significant pollution. Moreover, GHG emissions will be lower than 25,000 tons of CO<sub>2</sub> equivalent per year (tCO<sub>2</sub>eq/year).

#### 4.4 Community health and safety

CEL's activities will not generate any material risks for the community's health and safety.

#### 4.5 Conservation of biodiversity and sustainable management of living natural resources

Even though the Project will involve installing a MET tower within the Trifinio-Fraternidad Biosphere Reserve, its impacts on the biodiversity, the living natural resources and the ecosystem services are non-material. It is worth mentioning that the sensitive areas that are most closely located to the Project site are the Montecristo National Park, which is about 6 km away, and the Complejo Güija Ramsar site, over 6.1 km to the south.

### 5. Proposed Management Measures

No.	Aspect	Action	Deliverable	Delivery date
<b>PS 1: Assessment and Management of E&amp;S Risks and Impacts</b>				
1.1	Emergency Preparedness and Response	1. Prepare and implement an Emergency and Evacuation Plan for the activities performed within the Project area.	1. Emergency and Evacuation Plan	1. Prior to the first disbursement
<b>PS 2: Labor and Working Conditions</b>				
2.1	Occupational Health and Safety	1. Produce a Hazard and Risk Identification and Control Matrix that is applicable to CEL's employees, contractors and outsourced workers.	1. Hazard and Risk Identification and Control Matrix	1. Prior to the first disbursement
		2. Implement the Work-at-Heights Permit for the installation, maintenance and decommissioning of the weather stations.	2. Evidence of implementation	2. As part of the Environmental and Social Compliance Report (ESCR)

### 6. Additional Information

For inquiries about the Project, please contact CEL:

Telephone number: +(503) 2211-6267  
E-mail: [renewable.energy@cel.gob.sv](mailto:renewable.energy@cel.gob.sv)  
Address: Novena Calle Poniente, No. 950, entre 15 y 17 Avenida Norte, Centro de Gobierno, San Salvador, El Salvador.

For questions and comments to IDB Invest, please contact:

Name: IDB Invest Communications Group  
E-mail: [requestinformation@idbinvest.org](mailto:requestinformation@idbinvest.org)

In addition, and as a last resort, affected communities can access the IIC Independent Consultation and Investigation Mechanism (ICIM) as follows:

Telephone number:	+1 (202) 623-3952
Fax number:	+1 (202) 312-4057
Address:	1300 New York Ave. NW Washington, DC. USA. 20577
E-mail:	mecanismo@iadb.org or MICI@iadb.org