

Environmental and Social Data Sheet

Overview

Project Name:	KAUNAS HEATING CAPEX PROGRAMME
Project Number:	2019-0302
Country:	Lithuania
Project Description:	The Project concerns financing of the upgrade of the heating networks and heat generation assets located in Kaunas city and several other, smaller municipalities.
EIA required:	Investment programme, some schemes may require EIA
Project included in Carbon Footprint Exercise ¹ :	no
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

Environmental and Social Assessment

This 5 year (2019-2023) investment programme concerns the district heating system in the Kaunas region and consists of a retrofit and extension of the district heating network and construction and modernisation of biomass and gas-fired boilers in Kaunas and neighbouring municipalities in Lithuania. The retrofit will allow a decrease in losses of the network by replacing the old pipes with modern, pre-insulated ones, and installing new substations. The extension of the networks will also bring about demand-side energy efficiency gains by connecting newly built houses and service buildings to the network as well as by replacing the local and individual heat sources in the existing buildings.

The modernised and new generation facilities will comply with the relevant EU legislation including the Industrial Emissions Directive 2010/75/EU.

Environmental Assessment

The investments in heat generation and distribution systems included in the programme fall within the Annex II of the EIA Directive 2011/92/EC amended by Directive 2014/52/EU thus requiring a review by the competent authorities at the planning/consent stage with due regard to the necessity for environmental and biodiversity impact and appropriate assessments. The screening of several investment schemes by the competent authority is ongoing.

Overall, the environmental impacts of the project are expected to be minor and related mainly to noise, vibration, dust, and traffic disruption during the construction (this concerns mostly investments in the district heating network) and to airborne emissions during operation of heat generation units, i.e., boilers (NO_xs). Appropriate mitigation measures are envisaged to

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20 000 tonnes CO₂e/year absolute (gross) or 20 000 tonnes CO₂e/year relative (net) – both increases and savings.

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minimise the investments' impacts during construction and operation. Project's potential positive environmental and social impacts result from advantages of district heating over individual boilers.

The project is to be implemented in urban environment therefore no impact on biodiversity and protected areas is expected.

The Bank reviewed the environmental and social capacity of the Promoter including its organisation, processes and procedures, and deemed them to be good.

Public Consultation and Stakeholder Engagement

In case EIAs and public consultations are requested by competent authorities for any of the programme schemes, the Promoter will be required to forward the outcome of the public consultation process to the Bank.

Conclusions and Recommendations

Based on the information available, the Project is expected to have minor negative residual impacts and thus is acceptable for Bank financing from an environmental and social perspective provided the fulfilment of the following undertakings:

The Promoter undertakes to send to the EIB copies of all EIA screening decisions concerning the programme components issued by the competent authority for nature and environment as soon as they are available.

The Promoter undertakes not to allocate the Bank's funds to programme components that require an Environmental Impact Assessment (EIA) until the EIA and/or the biodiversity assessment have been finalised, satisfactorily to the Bank, and approved by the competent authority. When the EIA is made available to the public, an electronic copy of the full EIA study shall be sent to the Bank.

The Promoter undertakes to take into account and implement conditions expressed in any screening-out decision or EIA consent granted by the competent authority for nature and environment.

The Promoter undertakes to store and keep updated any documents as may be relevant for the project supporting the compliance with the provisions under the EU Habitats and Birds Directives and shall upon request promptly deliver such documents to the Bank.

All the biomass sourced as a fuel for the project need to align with the EU biomass sustainability criteria principles as defined in Directive EU 2018/2001 (Article 29) and with the EU Timber Regulation (EU/995/2010).

Wood supply chain and the underlying forest management practices are to be certified, or if not yet certified, they have to be aligned with the standards so as to be certifiable by internationally accredited certification schemes (e.g. FSC or PEFC).