

**Public**

## Environmental and Social Data Sheet

### Overview

Project Name:	BGK MUNICIPAL FACILITY AND COVID 19 RESPONSE
Project Number:	2020-0501
Country:	Poland
Project Description:	Intermediated framework loan to finance eligible projects and Covid-19 response in municipalities in Poland. The eligible investment schemes will be in conformity with the Bank's Paris Alignment, support community and quality of life in the relevant municipalities in Poland and target the following sectors: sustainable transport, education, local road infrastructure, public buildings, health care, social inclusion, sport, recreation and tourism, climate resilience, culture and civil protection.
EIA required:	This is an Intermediated Framework Loan with multiple schemes to be identified at later stage. Some of the schemes may fall under the Annex I or Annex II of the EIA Directive (2014/52/EU amending Directive 2011/92/EU) and may be screened in.
Project included in Carbon Footprint Exercise:	No

### Environmental and Social Assessment

#### Environmental Assessment

The operation is structured as Intermediated Framework Loan (IFL) to finance multi-sector investments supporting the implementation of the Polish National Urban Policy and the Strategy for Climate Adaptation.

The operation falls under the EIB's COVID 19 Operational Emergency Measures. Selected schemes might not be all directly related to COVID-19 emergency, but this operation will indirectly free up investment capacity for the targeted municipalities to finance COVID-19 related expenditures.

It is expected that the IFL will support 10-12 Polish medium sized municipalities with population of up to 100,000 meeting EIB's eligibility criteria. The project will be implemented in the period 2020-2024. The eligible investment schemes will support community and quality

of life in the various municipalities across Poland and target the following sectors: Sustainable Transport, Education, local Road Infrastructure, Public Buildings, Health Care, Social Inclusion, Education, Sport, Recreation and Tourism, Climate Resilience, Culture and Civil Protection.

Project Promoter, Bank Gospodarstwa Krajowego (BGK), Polish national promotion bank is well-known and experienced EIB counterpart. It will be responsible to select end borrowers and supervise implementation of technically, financially, and environmentally sound schemes. During appraisal, it demonstrated sufficient capacity to successfully select and supervise implementation schemes to be proposed for allocation under the IFL.

The project implementation at the level of end beneficiaries will be coordinated by respective municipal departments responsible for sectors eligible for this operation. At appraisal of previous municipal loans Polish cities proved sufficient capacity to implement similar projects.

BGK would propose schemes located with municipalities operating based on valid municipal development strategies, urban development plans or similar urban strategic frameworks setting the conditions for the growth of the City. As per Polish planning laws local strategies must be aligned with regional and national development strategies,

EIB will require BGK to ensure that contracts for the implementation of the project will be tendered in accordance with the relevant applicable EU procurement legislation: Directive 2014/24/EU, Utilities Directive 2014/25/EU, as well as Directive 89/665/EEC as interpreted by the Court of Justice of the EU Directive with publication of tender notices in the EU Official Journal, as and where required.

The Polish EIA law, which is compliant with EU Directives, entered into force in November 2008 (Act on Providing Information on the Environment and Environmental Protection, Public Participation in Environmental Protection and on Environmental Impact Assessment). According to the Act, the Competent Authority issuing environmental permits for urban roads of national significance is the Regional Director for Environmental Protection (RDEP) after consultation with the Regional Sanitary Inspectorate. For other urban projects, the Competent Authority is the Mayor of the respective municipality.

The competent authority for Natura 2000 areas is located in each of Polish regions and is a respective Voivodship's Regional Director for Environmental Protection. Given the scope of this operation and sectors included, it is possible that some schemes could be located near Natura 2000 areas across Poland, thus requiring screening procedure. However, at this stage of project appraisal there was no indication of schemes located in Natura 2000 zones.

Given the scope of this operation and sectors included, it is likely that some of the infrastructure schemes fall under the EIA Directive 2014/52/EU amending 2011/92/EU, Annex II. Should any scheme under this IFL fall under Annex II and be "screened in" by the Competent Authority, the Promoter shall deliver the EIAs to the Bank, if applicable, before the Bank funds are allocated.

Environmental impacts at the construction stage are expected to be short-lived and reversible, at a level which is deemed acceptable. At construction, the projects might result in increased noise levels, vibrations from heavy traffic to and from the sites, and impacts on air quality. Special mitigation measures will be applied in line with the relevant legislation.

Environmental impacts at operation stage are expected to be connected to noise, air pollution occasioned by road use and generated waste. Special mitigation measures may be proposed in order to reduce impacts to legal thresholds (e.g. noise barriers and dust control).

Furthermore, this intermediated framework loan may have projects that are expected to contribute to mitigate climate change such as energy efficiency improvements, clean sustainable urban transport, and green open spaces as well as development of footpaths and cycle paths, which contribute to sustainable mobility.

## **Social Assessment, where applicable**

Due to the nature of IFL, the concrete benefits of this operation are not known at this stage. However, the operation is expected to have an urban regeneration effect in several medium sized cities improving their overall attractiveness, through improved provision and quality of public infrastructure and contributing towards achieving a greater quality of life.

The social impact of the operation is expected to be positive resulting from the implementation of the individual schemes, which include improved healthcare, sport, culture, educational and social care facilities. In addition, investments in sustainable urban transport are expected to contribute to reducing pressure on public space and promote sustainable mobility and reducing air pollution.

Also, the operation is expected to generate positive economic and social externalities, in the form of job creation and a wide variety of benefits to local economies and their contribution to economic growth (largely in terms of gross value added).

## **Public Consultation and Stakeholder Engagement**

Details on public consultation of individual schemes are not known at this stage. However, all investments shall form part of their integrated local development plans. Local urban planning process in Poland actively involve local population and other relevant stakeholders. In particular, the consultation process is embedded in the planning process and procedures (Law on planning and spatial management – official journal 2015.22 of 27.03.2003).

## **Other Environmental and Social Aspects**

The building permits for the individual schemes will stipulate the monitoring of environmental requirements prior to, during, and post construction.

## **Conclusions and Recommendations**

The overall environmental and social impact of the project is expected to be positive, with improved environment and citizens' quality of life, especially in matter of improvement of the sustainable public transport system, energy efficiency in buildings and greening of urban areas (contributing also to the climate mitigation objectives of the Bank). Negative environmental impacts are expected to occur only short terms during project implementation.

The Promoter will be required to act according to the provisions of the relevant EU Directives, including SEA (2001/42/EC), EIA (2014/52/EU amending 2011/92/EU), Habitats (92/43/EEC) and Birds (2009/147/EC) Directives and Water Framework Directive (2000/60/EC) as transposed into national laws. In projects where applicable, the Promoter will be requested to deliver EIAs and the non-technical summaries to the Bank before Bank funds are disbursed.

For Schemes having a potential impact on protected areas including Natura 2000 sites, the Promoter has to provide evidence of the compliance (including screening) with the Habitats and Birds Directives (if applicable). For schemes triggering art. 4.7 of the Water Framework Directive (WFD), the promoter has to provide evidence of the compliance with the WFD before the Bank funds are disbursed.

The institutional capacity of the Promoter (BGK) to manage the environmental and social issues is deemed satisfactory. Therefore, subject to the conditions described above, this operation is acceptable for the Bank in environmental and social terms.