

Environmental and Social Data Sheet

Overview

Project Name:	BGK Social & Affordable Housing
Project Number:	2020-0068
Country:	Poland
Project Description:	Intermediated Framework Loan to BGK (Polish national promotion bank), to finance social and affordable housing investments across Poland, including units for rent and with the option for the tenants to purchase the housing unit.
EIA required:	Some schemes may require and EIA under Annex II of the EIA directive
Project included in Carbon Footprint Exercise ¹ :	No

Environmental and Social Assessment

Environmental Assessment

The project, structured as an Intermediated Framework Loan, will finance construction of housing implemented by eligible borrowers throughout Poland

Compliance with applicable Environmental Legislation

The eligible borrowers – affordable housing companies and housing cooperatives – are obliged 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. The compliance with EU legislation is also included in the project undertakings and will be verified at allocation stage. The project supports implementation of the National Housing Program, which determines the support mechanisms for housing programs until 2030.

None of the schemes included in the pipeline fall under Annex I of EIA Directive 2014/52/EU amending Directive 2011/92/EU. Some of the schemes though, may fall under Annex II of EIA Directive. Should any scheme under this framework loan fall under Annex II and be “screened in” by the Competent Authority, the Promoter shall deliver the Non-technical Summary of the EIA, and the full EIA report to the Bank, if applicable, before the Bank funds are allocated. The Bank will also require the Promoter to make the Non-Technical Summary (NTS) of the

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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EIA available to the public through publication on the eligible borrower's website and for reporting to the EIB.

For any scheme with a significant or likely effect on the environment, the Competent Authority is the Regional Director for Environmental Protection in the respective region of the country. The Mayor of the respective municipality is responsible for smaller projects, falling outside Annex I and II of Directive 2011/92/EU with no need for EIA and no impacts on habitats.

Environmental Impacts

Potential impacts of the schemes will be assessed by the Competent Authority in the permitting process and will be assessed by the Bank when the schemes are submitted for allocation under the Framework Loan. Schemes financed under this operation will be mainly of small size (project cost less than EUR 15m) and not expected to have significant negative environmental or social impacts.

However, some schemes could have limited temporary environmental impacts during the construction phase. These impacts may come from increased local traffic through traffic-related air pollution, exhaust gas and noise emissions, and generation of construction and demolition noise, waste and vibration. Special mitigation measures will be applied in line with the relevant legislation. The social and affordable housing projects are expected to foster a more compact and balanced development of urban areas and ultimately help avoid urban sprawl and associated negative environmental effects such as land take and increased emissions from traffic.

Location, Natura 2000 and Biodiversity issues

Given the nature of the project, with schemes located in a consolidated urban environment, no impacts on Natura 2000 or other protected sites are expected. Nevertheless, compliance with the Birds and Habitats Directives will be further checked during the appraisal of individual schemes at the allocation stage.

Social Assessment, where applicable

The provision of social and affordable housing supported by the project contributes to achieving greater affordability of housing for the people from vulnerable groups (by income or otherwise). The housing provided will typically be located in already urbanized areas, typically in the areas with dominant owner-occupied housing present, which will provide for greater social inclusion. Lastly, the preference in access to the housing built by the Project is provided by law to the people living in inadequate and/or overcrowded or otherwise substantial housing, contributing to general improvement of living conditions in Poland.

Public Consultation and Stakeholder Engagement

Public engagement and consultations are integrated in all steps of all strategic and/or sectorial planning both in term of spatial development as well as in terms of social aspects. Each municipality, where the project is located is required by law to carry out these consultations in case of their spatial development plans as well as in case their housing strategies.

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Governance

The Promoter and the eligible borrowers have demonstrated sufficient ability to manage E&S risks and ensure adherence to all applicable Directives for the expected Project and its respective schemes.

Conclusions and Recommendations

Prior to allocation of EIB funds against any specific scheme, the Promoter is to provide to the Bank the confirmation that schemes comply with relevant provisions of the environmental EU Directives, including EIA (2014/52/EU amending 2011/92/EU), Habitats (92/43/EEC) and Birds (2009/147/EC) Directives. In addition, the Promoter will be requested to deliver NTS of the EIAs, and the full EIA reports to the Bank, if applicable, before the Bank funds are allocated. The Bank will also require the Promoter to make the Non-Technical Summary (NTS) of the EIA available to the public through publication on the websites of eligible borrowers and for reporting to the EIB. For schemes falling under Annex II and “screened out” by the Competent Authority based on Annex III criteria, the Promoter shall deliver a copy of the respective decision, before the Bank funds are allocated. The overall institutional capacity of the Promoter is deemed satisfactory since it has established solid procedures to manage environmental and social issues. Therefore, given the type of operation, and subject to the conditions mentioned above, the FL is acceptable to the Bank in environmental and social terms