



Luxembourg, 03/09/15th September 2021

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Public Environmental and Social Data Sheet

Overview

Project Name: ENERGY EFFICIENCY HOME RENOVATION – GREEN LOAN
Project Number: 2021-0386
Country: Hungary
Project Description: Financing energy efficiency refurbishment of residential buildings and domestic renewable energy systems under the Home Renovation Programme of Hungary.

EIA required: no
Project included in Carbon Footprint Exercise¹: no

Environmental and Social Assessment

Environmental Assessment

This investment loan will support the energy efficient (EE) refurbishment of existing residential buildings, as well as the installation of building-integrated renewable energy (RE) systems in Hungary. The underlying projects will be financed by the Hungarian government in form of a grant (up to 50%), combined with loans and equity of the home-owners, who will be responsible for implementing the renovations.

The individual projects will be relatively small-scale and are expected to bring positive environmental impacts, notably by increasing energy efficiency and promoting the use of renewable energy sources for self-consumption by the final beneficiaries, thus lowering greenhouse gas emissions.

In the renovation phase, the project implementation may lead to increased noise and vibration levels and may impact air quality. Adequate mitigation measures will be implemented in accordance with the existing legal framework, together with the enforcement of good construction practices. The project's impact at the construction stage will be temporary and reversible, at a level, which is deemed acceptable.

Overall, the operation should lead to primary energy savings of about 308 GWh per year, as well the generation of 115 GWh of renewable energy per year, which collectively will avoid annual greenhouse gas emissions of approximately 96,631 tCO₂e.

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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Eligible investments will be consistent with the Energy Performance of Buildings Directive (EPBD) 2018/844/EU amending 2010/31/EU and the Energy Efficiency Directive (EED) 2018/2002 amending 2012/27/EU.

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None of the underlying projects is expected to be subject to an EIA.

Other Environmental and Social Aspects

The Hungarian government is actively promoting its Home Renovation Programme, which offers grants to families with children. The main goal of the programme is to improve the living conditions of households, while also contributing to the national objectives of refurbishing the residential building stock and reducing energy consumption and CO₂ emissions.

No specific social risks are foreseen for this project. On the contrary, the project is expected to bring positive social benefits related to the gains in energy efficiency and associated decrease in the energy bill, improving living standards and comfort, and helping to tackle energy poverty.

Through the supported EE and RE investments, the operation will generate local and regional economic activity, thus maintaining or even increasing employment in the concerned sectors. Temporary employment equivalent to 11,535 person-years is expected to be created during the planned 3-year implementation period.

Conclusions and Recommendations

The environmental capacity of the financial intermediary has been assessed by the Bank as acceptable for the scale and nature of the intended projects.

The Bank's E&S standards and requirements will be included in the promoter's due diligence procedures and in the Finance Contract with the Bank.

In view of the above findings and conditions, the operation is deemed satisfactory from an E&S compliance perspective.