



Luxembourg, 26/10/2022

Environmental and Social Data Sheet

Overview

Project Name:	Romania Municipal EE Programme Loan II
Project Number:	2022-0181
Country:	Romania
Project Description:	Programme Loan financing multiple energy efficiency investments in the municipal sector in Romania, targeting existing residential buildings and public owned assets (e.g. public buildings and street lighting).
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental Assessment

The proposed operation consists of EUR 300 million Programme Loan (“PL” or the “Project”), with total Project cost of EUR 400m, to support sub-sovereign entities implementing energy efficiency and renewable energy projects regarding the energy efficiency renovation of existing residential buildings and other public assets (e.g. public buildings and street lighting) in Romania. The financing of this PL is in line with the Bank's priority energy lending related to energy efficiency, renewable energy and climate action. The Project qualifies as a 100% Climate Action project in accordance with the Climate Action Eligibility criteria for Mitigation. It is the second programme loan continuing the success of the first PL, which targeted residential buildings in Bucharest.

The PL is expected to encompass 6-8 sub-operations with a lending volume between EUR 20-100 million each. Each sub-operation will be structured as an Investment Loan (“IL”), mainly targeting EE measures in residential buildings and on assets owned by public entities (e.g. public buildings and street lighting) and building integrated RE Projects (typically PV and solar thermal projects). The loans will be channelled through sub-sovereign entities that will be responsible for implementing the sub-operations.

The operation would contribute to the EU energy objectives by supporting investments in renewable energy generation capacity and energy efficiency projects. The investments will generate environmental benefits in terms of reduction of air pollutants and GHG emissions and supporting better health through improving the air quality. In addition, some of the investments will also be located in convergence regions.

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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None of the sub-operations and their underlying investments will likely fall under Annex II of the EIA Directive 2014/52/EU amending the EIA Directive 2011/92/EU. Nevertheless, during the appraisal of each one of the sub-operations, this will be assessed.

Social Assessment, where applicable

No special social risks are foreseen for this project. Oppositely, the project is expected to bring positive social benefits related to the gains in energy efficiency and associated decrease in the energy bill, helping to tackle energy poverty.

Conclusions and Recommendations

During appraisal of the individual sub-operations, it will be confirmed that the Promoters have fully understood the Bank's E&S requirements and are willing and capable to implement them fully. Based on the experience of the previous programme loan implemented, the Promoters will be requested to develop a proper management system to ensure that the main negative limited impacts during construction will be adequately mitigated.

The following loan disbursement conditions and undertakings will be included, inter alia, in the sub-operations legal documentation: The Promoter shall:

- Implement and maintain a quality management system;
- Ensure that energy performance certificates are produced for all buildings after refurbishment. These EPCs shall be issued by independent accredited experts according to the national legislation implementing the Energy Performance of Buildings Directive;
- The Promoter will ensure ex-post verification of the quality of the works and the energy efficiency savings by independent certified experts and report to the Bank the results.

The Bank may, additionally to the Promoter's own verification, at its own discretion, appoint an independent expert in order to check the quality of buildings rehabilitated under the present Project. In case the report of the independent expert shows the quality of works to be below the state of the art construction quality, the Promoter shall take all necessary or desirable remedial action.

In view of the above findings and conditions, the operation is deemed satisfactory from an environmental and social compliance perspective.