



Luxembourg, 28.07.2023

Environmental and Social Data Sheet

Overview

Project Name:	Krakow Urban Development
Project Number:	2022-0034
Country:	Poland
Project Description:	Multi-sector Framework Loan with the City of Krakow supporting the implementation of its Urban Development Strategy 2030/2050.
EIA required:	This is a multi-scheme Framework Loan operation. Some of the schemes may require an EIA under Annex II ("screened in") of the EIA Directive.

Project included in Carbon Footprint Exercise¹: No

Environmental and Social Assessment

Environmental Assessment

The Project covers urban development, regeneration and renewal with the new construction, refurbishment, and upgrade of urban infrastructure, comprising public buildings (education facilities, health care centres, nursing homes, sport facilities, cultural facilities, etc.), open spaces and green areas, flood protection, Renewable Energy (RE) and Energy Efficiency (EE) investments, sustainable mobility schemes, and modernisation of urban roads including road safety and climate measures.

The schemes covered by this Project mirror the key priorities of the Krakow Urban Development Strategy: "This is where I want to live". In addition, the Project is supporting the implementation of Climate Adaptation Plan of the City. Both, the City Urban Development Strategy, and the city Climate Adaptation Plan were subject to a Strategic Environmental Assessment (SEA), performed in line with the SEA EU Directive 2001/42/CE.

Some of the Project's underlying investments may fall under Annex II of EIA Directive 2014/52/EU amending the EIA Directive 2011/92/EU, requiring a full Environmental Impact Assessment (EIA) or EIA screening by the competent authority on the basis of related Annex III to determine the need for a full EIA.

All schemes are expected to be located in urbanised areas and not inside or near any Natura 2000 or other protected zones.

During construction, the main impacts are expected to be the ones related to disruptions because of traffic, noise, vibration, and dust. These impacts are expected to be short-lived and reversible. Impacts are expected to be addressed through environmental management and monitoring plans.

Finally, the Project has been assessed for Paris Alignment and it is deemed aligned both against low carbon, and resilience goals, as set out in the EIB Climate Bank Roadmap. Moreover, the Project contributes to the climate action (CA) and the environmental sustainability (ES) objectives of the Bank. It includes flood protection schemes as well as green areas and parks which contribute to climate adaptation and ES. It also includes RE measures and EE upgrades in public buildings, and sustainable mobility schemes which contribute to climate mitigation. Therefore, it is expected that, during operation, this Project will bring positive

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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effects on environment, the resilience of the city to climate change and overall, the quality of life of its residents.

Social Assessment

The schemes covered by this Project mirror the objectives of the City Urban Development Strategy which aims more integrated, sustainable and inclusive planning. Furthermore, the Project comprises the financing of urban investments in response to the Ukrainian conflict. These investments are expected to contribute to provide services to the large number of refugees, predominantly women, children and elderly people, fleeing the country and living in the city of Kraków.

Therefore, the Project's overall social benefit is expected to be positive resulting from the implementation of individual schemes with a high social and economic impact given their potential to provide better quality infrastructure and services and more liveable and socially inclusive neighbourhoods. Wider social-economic benefits may be expected such as induced investment, employment effects and productivity impacts resulting from the improvement of public infrastructure and services.

Public Consultation and Stakeholder Engagement

The individual investments are expected to form part of urban development strategies and plans for which public consultation is carried out.

Other Environmental and Social Aspects

Based on the due diligence process and the previous implementation and monitoring experience with Kraków, the institutional capacity of the promoter to manage and monitor the environmental and social issues is deemed good.

Conclusions and Recommendations

The Municipality of Kraków is a very experienced and capable promoter able to manage the environmental and social issues of all the investments included in this Project.

The overall environmental and social benefits of the Project are expected to be very good, with improved environment and quality of life for people living and visiting the city. In addition, it is expected to contribute to provide services to the large number of refugees from Ukraine, predominantly women, children and elderly people. Furthermore, the Project is expected to contribute to climate action through mitigation and adaptation measures that will be incorporated in the project designs.

In projects where applicable, the Promoter will be requested to deliver to the Bank and before the Bank funds are allocated, the EIA report and the evidence of the compliance with the Habitats and Birds Directives. Upon the Bank's request, the Promoter will be requested to provide selected Energy Performance Certificates obtained in line with the EU Directive 2010/31/EU during implementation or after completion of works.

Therefore, given the nature of the operation and subject to the conditions stated above, the Project is acceptable for the Bank in environmental and social terms.