

Luxembourg, 18.09.2024

Environmental and Social Data Sheet

Overview

Project Name: EU CNC Mission Lending Envelope.

Project Number: 2024-0437

Country: EU Member States.

Project Description: This lending envelope aims to co-finance sub-operations supporting the Action Plans and Investment Plans of EU Cities labelled under the EU Mission - Climate Neutral and Smart City. These EU Mission Cities are striving to achieve climate neutrality by 2030. They are prioritizing their investments on sustainable urban renewal and regeneration, sustainable mobility and energy efficiency, among other sectors.

EIA required: Some schemes may require an EIA under Annex I or Annex II ("screened in") of the EIA Directive. This will be assessed at the level of each sub-operation under the lending envelope.

Project included in Carbon Footprint Exercise¹: no.

Environmental and Social Assessment

Environmental Assessment

The Climate Neutral and Smart cities (CNC) lending envelope will finance public sector operations (especially with municipalities and municipal companies) and eligible financial intermediary banks/entities working with the CNC Mission Cities. Eligible sectors will include, among others, Energy Efficiency, Renewable Energy, Sustainable Mobility, Urban Renewal and Regeneration as well as other investments in social infrastructure, waste management, water, wastewater and flood management, energy transition/energy networks, modernization of urban roads and ICT systems.

Selected investments or schemes in these sectors are key for the cities forming part of the Climate Neutral and Smart Cities EU Mission to become climate neutral by 2030. Furthermore, some of the cities forming part of this CNC Mission are also part of the Adaptation to Climate Change mission. Therefore, selected investments are also contributing to these cities to become resilient to climate change by 2030.

The EIB services will check during the appraisal of each sub-operation the requirements of the relevant EU legislation, mainly EIA Directive 2011/92/EU amended by 2014/52/EU, Habitats Directive 92/43/EEC and Birds Directive 2009/147/EC. The competent authorities are expected to be regional and local authorities of EU Member States who have the competence in the field of environmental protection.

Furthermore, where applicable, the EIB services will also check during the appraisal of each sub-operation the requirements of the Directive on the Energy Performance of Buildings (EPBD), the Water Framework Directive (WFD, 2000/60/EC), the Urban Wastewater Treatment Directive (UWWTD 91/271/EC)

Selected investments will be aligned to the applicable Strategies and Plans for Urban and Regional Development, Sustainable Mobility, Waste Management, Water Management, Flood

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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Management as well as any other related sectoral plans or strategies applicable to the investments addressed under in each sub-operation under the LE.

Finally, the lending envelope concerns urban infrastructure investments in line with carbon-neutral and climate resilient strategies, addressing sectors \ investments that will be eligible for EIB financing only if they will be aligned with the Paris Agreement (PA). Therefore, the lending envelope is deemed aligned both, against low carbon and resilience goals, as set out in the PA and in the EIB Climate Bank Roadmap. Moreover, the sectors addressed under the LE have potential to contribute to the climate action and the environmental sustainability objectives of the Bank.

Social Assessment

The lending envelope's overall social benefit is expected to be positive resulting from the implementation of individual sub-operations comprising schemes with a high social and economic impact given their potential to provide climate neutral and resilient quality infrastructure and services, contributing to 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

In case of sub-operations subject to an EIA, the consultation process will be carried out in line with the national and EU legislation.

Other Environmental and Social Aspects

The Promoters' capacity regarding Environmental, Social and Climate management, governance and monitoring systems will be further assessed during the separate appraisals of the individual sub-operation under the LE.

Conclusions and Recommendations

The underlying sub-operations under this lending envelope will be subject to separate appraisal process. Overall, these sub-operations are expected to bring about important environmental, climate and social benefits to cities as the selected investments are contributing to achieve their climate neutrality and resilience to climate change by 2030.

Prior to disbursement against any specific scheme, the Promoters will provide to the Bank the evidence that schemes under each sub-operation comply with relevant provisions of the national and EU environmental legislation , including EIA (2011/92/EU , as amended by 2014/52/EU), Habitats (92/43/EEC) and Birds (2009/147/EC) Directives Furthermore, where applicable, the Promoters will be requested to deliver to the Bank, before the Bank funds are allocated, the EIA report and the evidence of the compliance with the Habitats and Birds Directives.

For schemes triggering art. 4.7 of the WFD, the Promoters will have to provide evidence of the compliance with the WFD before the Bank funds are allocated. Upon the Bank's request, the Promoters will be requested to provide selected Energy Performance Certificates obtained during implementation or after completion of works in line with the applicable national and EU legislation on the energy performance of the buildings.

In case the Bank finances the purchase of new rolling stock (e.g., buses, tramways, etc.) to replace old rolling stock units, the Bank will request the relevant promoters to ensure compliance with the applicable standards when dismantling or scrapping the rolling stock being removed from service.



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Therefore, subject to the conditions stated above, the lending envelope is acceptable for the Bank in environmental and social terms.