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## Environmental and Social Data Sheet

### Overview

<b>Project Name:</b>	<b><i>PORTO URBAN RENEWAL FL</i></b>
<b>Project Number:</b>	<i>2024-0352</i>
<b>Country:</b>	<i>Portugal</i>
<b>Project Description:</b>	Framework Loan to support the implementation of the investment programmes/plans of the City of Porto and aligned with the objectives of the urban development strategy (Plano Diretor Municipal), as well as with relevant sectoral and climate strategies. The Project comprises, among others, investments in urban renewal and regeneration, including social, cultural and sports facilities, open spaces and green areas, and sustainable mobility schemes.
<b>EIA required:</b>	This is a multi-scheme Framework Loan operation. Some of the schemes may require an EIA under Annex I or Annex II ("screened in") of the EIA Directive
<b>Project included in Carbon Footprint Exercise<sup>1</sup>:</b>	no

### Environmental and Social Assessment

#### Environmental Assessment

The operation is structured as a multi-sector Framework Loan (FL) to be implemented by the Municipality of Porto as the Borrower and the Promoter.

The Project concerns the implementation of the multi-annual investment and activity plan for 2024-2028 of the Municipality of Porto as its relevant updates. This plan aims at improving people's life quality, urban spaces and promoting sustainable territory. The Project is also supporting the goals of the Porto Urban Development and Climate Strategies, which have set ambitious objectives in terms of climate neutrality. In this regard, Porto forms part of the 100 Climate Neutral and Smart City<sup>1</sup> Mission initiative and is aiming to become climate neutral by 2030.

Given the above, the eligible sectors under this operation include, among others, urban renewal and regeneration, including social, cultural and sports facilities, open spaces and green areas, and sustainable mobility schemes.

The selected schemes will be aligned with the Urban Development strategy, which is the Municipal Director Plan (Plano Diretor Municipal do Porto – PDM) that was 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 I or 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.

During construction, the main Project's impacts are expected to be mostly related to traffic and accessibility disruptions, noise, vibration, dust emissions, risks to cultural heritage, etc. These impacts are expected to be short-lived and reversible. Impacts are expected to be addressed through environmental management and monitoring plans.

<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.

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Finally, investments under this FL will be eligible for EIB financing only if they are aligned with the Paris Agreement (PA). Therefore, the Project 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 Project contributes to the climate action (CA) and the environmental sustainability (ES) objectives of the Bank. It also includes renewable energy (RE) measures and energy efficiency (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 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 strategy and the Municipal Director Plan, which aims at integrated, sustainable, and inclusive planning while strengthening the territory's economic dynamism, territorial social cohesion, and quality of life.

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 proposed schemes are derived from the city's strategies and plans, for which the Municipality of Porto conducts public consultation. In addition, the schemes subject to EIA are subject to individual public consultation, as part of the EIA process.

## **Other Environmental and Social Aspects**

Based on the due diligence process performed for this Project, it is deemed that the promoter's institutional capacity to manage and monitor the environmental and social issues is good. All schemes must comply with EU environmental, procurement and state aid legislation as well as with the Bank's Environmental and Social Standards

## **Conclusions and Recommendations**

The Project's overall environmental and social benefits are expected to be very good, with an improved environment and quality of life for people living and visiting the city of Porto. Furthermore, the Project is expected to contribute to climate action and environmental sustainability through specific measures addressing the sectors covered by the Project, notably green areas, RE, EE and sustainable mobility.

In projects where applicable, the Promoter 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 Water Framework Directive (WFD), the Promoter has to provide evidence of the compliance with the WFD before the Bank funds are allocated.

Upon the Bank's request, the Promoter will be requested to provide selected Energy Performance Certificates obtained in line with the applicable national and EU legislation on the energy performance for buildings. Requests can either be during implementation or after completion of works and aligned with the applicable legislation at the time of request.

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.