

Luxembourg, 29.11.24

Environmental and Social Data Sheet

Overview

Project Name:	BRNO URBAN INFRASTRUCTURE DEVELOPMENT
Project Number:	2023-0762
Country:	Czech Republic
Project Description:	Investment programme dedicated to urban development and modernisation of public infrastructure and services of the City of Brno, particularly in the areas of urban mobility, culture, education, water management, flood protection and others.
EIA required:	This is a multi-scheme operation. Some of the schemes may require an EIA under Annex II of the EIA Directive.
Project included in Carbon Footprint Exercise ¹ :	No

Environmental and Social Assessment

Environmental Assessment

The proposed municipal framework loan („the Project“) will support eligible investment schemes in the City of Brno („the City“ or „Brno“), a city with almost 400,000 inhabitants located in the South-Moravia region in the Czech Republic. Investments will be mainly related to urban development and modernisation of municipal infrastructure, and thus supporting implementation of the City’s urban development strategy defined until 2050 and other sectorial plans, well within the framework set by the spatial development plan. In particular, the Project is envisaged to support investments in urban mobility, culture, education, water management, flood protection and others. This is a multi-scheme framework loan operation, the Promoter has identified an indicative list of some 60 investment schemes whose eligibility will be assessed in detail at allocation stage including compliance with the Paris Alignment criteria.

Some of the schemes may require an Environmental Impact Assessment (EIA) under Annex II of the EIA Directive (2014/52/EU amending 2011/92/EU), and in such cases the promoter will be required to act according to the provisions of the EIA Directive. Relevant EU Directives have been transposed into the national legislation (EIA Directive, SEA Directive, Birds and Habitat Directive, Energy Performance of Buildings Directive). The Czech environmental law is compliant with the EU Directives and all investments will be assessed by competent authorities with regards to its environmental impact (EIA as per Czech Act no. 100/2001 Col.) and potential impact on NATURA 2000 sites (as per Czech Act no. 114/1992 Col.). These environmental assessments form an integral part of the building permit process in the Czech Republic. All schemes are expected to be located in urbanized areas and not inside or near any Natura 2000 or other protected zones.

The City of Brno has a climate strategy addressing climate change, known as the „*Akční plán pro udržitelnou energii a klima*“ (Sustainable Energy and Climate Action Plan – SECAP including Annex 5 dedicated to Climate Adaptation Strategy). This plan was approved in 2020 and outlines the city’s commitment to mitigating and adapting to climate change impacts

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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through a series of targeted actions and policies. Based on the City's Climate Adaptation Strategy it is deemed that the Promoter is well aware of the climate vulnerabilities and risks and appropriate adaptation measures are embedded in the design of the City's investment programme and individual investment schemes.

The environmental objectives of the City's Development Strategy include several measures dedicated to achieving reduction of air pollution, aiming at carbon neutrality while affecting the city's energy systems, industry and transport. The energy efficiency schemes of the operation are adhering to this strategic objective resulting in significant social and environmental benefits particularly, improving the quality of air and thus the quality of life of the citizens.

At construction stage, the Project will increase noise levels, and will impact water and air quality. Adequate mitigating measures will be considered in the designs such as drainage systems, management of earthworks, reinstatement of damaged vegetation with local species and wildlife protection with underpasses. If felling of trees is required in any of the schemes, they will be protected in appropriate manner and tree clearance will be conducted outside the nesting season. Overall, the project's impact at the construction stage will be short-lived and reversible, at a level which is deemed acceptable. At operation, the urban road investments aim at enhanced safety as well as reducing noise and emissions from motor vehicles. Moreover, climate adaptation measures included in the investments, such as water reservoirs, use of permeable surfaces, green roofs and corridors, greenspaces, are expected to have a positive environmental impact for the City and improve the quality of life of the inhabitants. Investments will be eligible for EIB financing only if they are aligned with the Paris Agreement goals and principles as defined in the Climate Bank Roadmap (CBR). All new construction and building renovation/modernisation schemes are in line with the EU Directive on the Energy Performance of Buildings 2010/31/EU. Given all this, the operation will have a positive overall impact. The EIB Project is expected to bring savings in operational costs and contributing to the reduction of local emissions through energy efficiency measures in public lighting and public amenities. Against this background, the project is expected to be aligned with the Bank's efforts in combatting Climate Change.

Social Assessment

Although no separate social impact assessment has been carried out, it is deemed that the overall social impact of the framework loan will be positive. The operation is expected to increase the quality of public infrastructure and services available to the inhabitants. Investments related to the construction and reconstruction of existing roads including pavements, pedestrian paths and particularly construction of new cycling paths will decrease dependency on individual passenger cars, promote physical activity and enhance safety of citizens. Improved quality of public spaces, green areas and particularly the construction of a new concert hall will contribute to the overall quality of life and social inclusion. New capacities in public education and care facilities will provide for the targeted population in need and allow more parents to return to economic activity.

Public Consultation and Stakeholder Engagement

The individual investments are expected to form part of urban development plans for which public consultation has been carried out. This has been the case particularly for the City's Development Strategy until 2050 as well as other strategies and plan, thus ensuring a broad participation of stakeholders and the public opinion. The public consultation that has been carried out is expected to ensure the social acceptability of the plan and the reduction of conflicts in the implementation of adaptation actions.

Other Environmental and Social Aspects

The individual project building permits will stipulate monitoring of environmental requirements prior to, during, and post construction. In addition, road safety and particularly safety of cyclists



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and pedestrians is expected to improve, thanks to safety measures proposed in relation to road and cycling paths network.

Conclusions and Recommendations

The Promoter will be required to act according to the provisions of the relevant EU Directives, including SEA (2001/42/EC), EIA (2014/52/EU amending 2011/92/EU), Habitats (92/43/EEC) and Birds (2009/147/EC) Directives and Water Framework Directive (2000/60/EC) as transposed into national law. In projects where applicable, the Promoter will be requested to deliver the EIAs to the Bank before Bank funds are allocated. For Schemes having a potential impact on protected areas including Natura 2000 sites, the Promoter has to provide evidence of the compliance (including screening) with the Habitats and Birds Directives (if applicable) before the Bank funds are allocated. 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 EU Directive 2010/31/EU as amended during implementation or after completion of works.

The overall environmental and social impact of the Project is expected to be positive, with improved environment and citizens' quality of life, especially through improved quality of public infrastructure and services such as mobility (public transport, active mobility, roads), water management infrastructure, cultural and educational facilities (including energy efficiency measures), public spaces and green areas. Significant efforts are channelled to protection and safety of citizens, particularly anti-flood measures representing climate adaptation. Potential negative effects (e.g. dust and noise during construction) will be alleviated by implementing effective mitigation measures.

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.