

Environmental and Social Data Sheet

Overview

Project Name: Oulu Urban Infrastructure
Project Number: 2013-0164
Country: Finland
Project Description: The project concerns the financing of multi-sectoral investment schemes forming part of the Municipality's four-year investment programme from 2013 to 2016. The project is expected to comprise some 40 small to medium sized schemes in the fields of municipal infrastructure, mobility measures, education and sport, social and health infrastructure, district heating and water management and will benefit the City of Oulu in Northern Finland.

EIA required: no

This is multi-scheme Framework Loan operation. Some of the schemes fall under Annex II of the EIA Directive and have to be screened by the Competent Authority. Should any scheme be screened in, the Promoter shall deliver the NTS of EIAs to the Bank, if applicable, before the Bank funds are allocated.

Project included in Carbon Footprint Exercise¹: no

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

Given the relative small size of the individual schemes and the nature of the sectors concerned, most of the schemes are deemed not to have significant measurable environmental impacts. There are two schemes identified in this Framework Loan that potentially could fall under Annex II of the EIA Directive and if screened in, EIA would be required.

In case of investments in reconstruction and/or renovation of public buildings, there are a number of positive effects expected, including energy savings in buildings owned by the municipalities, as a result of insulation of walls and roofs, changing windows and other energy efficiency measures.

In this Framework Loan an Underground Parking Facility (Kivisydän) is included. The Underground Parking Facility will be constructed at a depth of 30 meters below the surface. It will comprise 2 levels, with 900 parking places in total. This project was screened for Environmental Impact Assessment as it falls under Annex 2 of the EU Environmental Impact Assessment Directive. The competent authority for EIAs in this case, the North Ostrobothnia Centre for Economic Development issued a screening decision on 29/08/2011, concluding that the project is not subject to an EIA.

The transport schemes, mainly renovation of streets and improving transport infrastructure will reduce travelling times and vehicle operating costs and will in general promote public transport. The reconstruction works are expected to have some minor negative impacts during the construction/implementation period. Once the works are completed it is generally expected that the overall net environmental impact will be positive.

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

Given the nature of the operation and the procedures concerning EIA and nature protection put in place by the competent authorities in the Northern Ostrobothnia region the Framework Loan is acceptable in environmental terms. The overall net environmental and social impact of the Oulu Urban Infrastructure operation is positive, with improved environment and in particular social conditions for the inhabitants in the City of Oulu.

Environmental and Social Assessment

It is deemed that the improvements of infrastructure included in the City's long-term investment strategy for 2013-2016 will cater for the modernisation of the city's basic infrastructure and improving the quality of public services. The plan includes several components - new dock, fairway dredging, harbour renovation, street refurbishment, street lightening, new biking routes, new pedestrian bridges, parks and greeneries, sporting facilities, school upgrading, renovation of hospitals, kindergartens and senior homes, power networks, district heating and water supply, sewerage, renovation of wastewater treatment plant, waste collection facilities and ICT infrastructure - to be implemented over the next four years. The investment programme is a coherent and target-based development plan including investments in domains where Oulu, as a local government, has financial and planning responsibility.

Oulu is the regional capital of Northern Ostrobothnia region and the largest city in the county with 191 000 inhabitants. It is the most populous city in Northern Finland and the sixth most populous city in the country. The urban area of Oulu accounts for approximately 48% of the county population. The city is among the fastest growing cities in Finland which has put the pressure on the entire urban infrastructure. The planned investments are responding to many of the challenges caused by the population growth. Oulu is the economic engine of Northern Finland, thanks to many industries within the pulp, paper, wood and steel sectors. Oulu has also science parks that host RDI enterprises in telecom, computer technology, pharmaceutical technology and biotechnology.

Should any scheme included under this Framework Loan require an EIA, it would be subject to the Bank's standard review of the non-technical summary of the EIA. The Promoter will be required to act according to the provisions of the relevant EU Directives, including the SEA, EIA, Habitats and Birds Directives. The Promoter shall verify the compliance of the schemes with the relevant and applicable rules of the European Union legislation, in particular in the fields of environment. The Promoter shall deliver to the Bank a confirmation or equivalent that the schemes have no significant impact on nature sites of Community Importance or their equivalents, as well as the NTS of EIAs where applicable.

Some of the schemes in the operation falls under Annex II of the EIA Directive 2011/92/EU. Furthermore, some of the schemes in the programme may have an impact on protected sites and the Promoter will be required to act according to the provisions of the Habitats and Birds Directives.

No negative social impacts are foreseen, on the contrary it is expected that the social impacts of the project will be overall positive. The everyday life for the inhabitants and associated social relations and routines will be improved thanks to improved mobility, improved municipal infrastructure, schools, sports facilities, municipal service centres, civil protection and other infrastructure for public services.