

## Environmental and Social Data Sheet

### Overview

Project Name: IHRU III – Rental Housing Rehabilitation  
Project Number: 2014-0203  
Country: Portugal  
Project Description: Investment programme dedicated to rehabilitation of residential buildings and urban renewal

EIA required: No

This is multi-scheme Framework Loan operation. Some of the schemes may 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 Exercise: No

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

The programme is targeting multiple objectives; primarily (i) renewal and rehabilitation of urban centres contributing to social and economic revitalisation of the localities in question, and (ii) increasing supply and thus enhanced access to affordable, comfortable and safe rental housing. This will address the backlog in rehabilitation and maintenance of the housing stock as well as limited rental market of affordable housing.

The EU environmental legislation has been fully transposed into Portuguese law. Municipal/urban development plans are subject to Strategic Environmental Assessment (SEA). However, due to the nature of the actions under this operation, Environmental Impact Assessments (EIA) for individual investments are not anticipated and, given the predominantly metropolitan urban characteristics of the programme, nature conservation areas will not be affected. Should any scheme under this Framework Loan fall under Annex II and be “screened in” by the Competent Authority, or fall under Annex I, the Promoter shall deliver the NTS of EIAs to the Bank, if applicable, before the Bank funds are allocated.

The investment programme will bring significant contribution to the energy efficiency of the building stock concerned following the national requirements and EU legislation on energy performance. It is estimated that within the programme some 200 apartment buildings will be refurbished and this will result in energy savings of some 10.5 MWh or reduction of 2.1 in CO<sub>2</sub> emissions annually.

Given the scale and urban nature of the operation, the EIA and nature protection measures put in place by the Competent Authorities in Portugal; the Framework Loan is acceptable in environmental terms. The overall net environmental and social impact of the Framework Loan is positive, with improved environment and in particular social conditions for the inhabitants of the concerned urban areas.

## Environmental and Social Assessment

### Legal Framework

The EU EIA Directive 2011/92/EU was transposed into Portuguese law by the Decree-Law No. 151-B/2013 (October 31st). The EU SEA Directive 2001/42/EC, on the assessment of the effects of certain plans and programmes on the environment, was originally transposed by the Decree-Law No 232/2007 (June 15th) and subsequently amended by the Decree-Law No 58/2011 (May 4th). The EU Habitats Directive 92/43/EEC and EU Birds Directive 79/409/EEC were originally transposed by the Decree-Law No 140/99 (April 24th) and subsequently amended by the Decree-Law No 156-A/2013 (November 8th).

The EU Directive 2010/31/EU was transposed into Portuguese law by the Decree-Law No 118/2013 (August 20th). Although the Decree-Law's preamble predicts an exceptional regime for social housing, this is not yet regulated. This means that in deeply refurbished buildings the energy performance rating to achieve is C class. In new buildings the rating has to be higher than B- class. This is applicable for both current housing and social housing.

However, the "Urban Rehabilitation Exceptional Regime", approved by a Decree-Law No 53/2014 (April 8th) partially lightens the requirements in what concerns the urban refurbishment operations. The refurbishment under the programme will target energy performance ratings as required by the national legislation.

### Environmental Assessment

The improvements of housing and related infrastructure included in this programme will cater for the renewal and rehabilitation of urban centres contributing to social and economic revitalisation of the localities in question, and the main impact of the project will be the improved energy performance of the concerned buildings. The energy performance improvement is estimated (with the issuance of a Pre-Certificate) when the project is submitted to municipality for obtaining the building permit. Once the construction works are completed takes an energy performance audit place and an Energy Performance Certificate is issued. If the construction fully complies with what was referred to in the projects, it is possible to convert the Pre-Certificate to an Energy Performance Certificate.

The promoter, IHRU, does not itself perform the energy efficiency evaluation. It is the Portuguese Energy Agency (ADENE) who is the main body responsible for topics regarding energy efficiency policy.

The estimated energy saving and CO<sub>2</sub> reduction after refurbishment are as follows:

10,500 kWh<sub>ep</sub> per annum, i.e. 2.1 ton CO<sub>2</sub> per annum  
3,500 kWh<sub>ep</sub> per capita per annum, i.e. 0.7 ton CO<sub>2</sub> per capita per annum

### Institutional Capacity of the Promoter

Given the urban nature of the operation and the procedures concerning EIA and nature protection put in place by the competent authorities in Portugal, combined with the fact that the Promoter's institutional capacity to manage social and environmental risks within the framework of this operation is considered to be acceptable, the Framework Loans is acceptable in environmental terms.