

## Environmental and Social Data Sheet

### Overview

Project Name:	CCCFL II – URUMQI BUILDING EFFICIENCY
Project Number:	2014-0060
Country:	China
Project Description:	Energy efficiency retrofitting of existing public buildings in the municipality of Urumqi (Xinjiang province).
EIA required:	yes
Project included in Carbon Footprint Exercise <sup>1</sup> :	yes (details for projects included are provided in section: “EIB Carbon Footprint Exercise”)

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

The operation will support projects that reduce energy consumption in buildings and thus it will reduce atmospheric pollution related to the production of heat and electricity (SO<sub>2</sub>, NO<sub>x</sub> and particulates) and help mitigate climate change by avoiding associated CO<sub>2</sub> emissions. Given the scale, location and nature of the sub-projects in built-up urban areas a full EIA, as defined under the EIA Directive 2011/92/EU, is not required.

### Environmental and Social Assessment

#### Environmental Assessment

The project is related to improving the thermal insulation of public buildings in Urumqi, Xinjiang province, China. Due to the project, energy consumption for heating purposes will be reduced by around 63%.

Temporary nuisance due to the excavation works and construction (dust, noise, traffic disruption) are mitigated through appropriate site organisation and construction management. Due to the nature of the investment no significant negative environmental are expected.

An EIA report has been completed for the whole project and has been approved by the Urumqi Environmental Protection Agency on 9 September 2013. The approved EIA report has identified the needs for good management and supervision of environmental issues during construction, including noise, dust, traffic, construction solid wastes and domestic wastes as well as the need for an environmental emergency plan.

It should be noted that the EIA did not identify the potential presence of some hazardous materials associated with aged buildings as a concern. These hazardous materials may include asbestos, leaded paint, PCB containing devices and mould, which need to be assessed prior to the refurbishment works in order to develop proper management plans for workers' protection and waste disposal, if identified.

With the appropriate environmental and social systems and conditions in place, the project is acceptable for EIB financing in environmental and social terms.

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

## **EIB Carbon Footprint Exercise**

The estimated emissions savings are around 37,900 t of CO<sub>2</sub> equivalent per year. This emission reduction has been calculated based on the expected annual thermal energy savings after the implementation of the project. For the annual accounting purposes of the EIB Carbon Footprint, the project emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of project cost.

## **Social Assessment**

No significant social risks are anticipated for this project. On the contrary, the project is expected to bring about considerable positive social benefits related to the gains in energy efficient and associated decrease in the energy bill.

The refurbishment project does not involve any resettlement during the construction.

The promoter has a safety department with staff designated for construction safety management and a department for control/certification of building materials focusing especially on fire resistance characteristics. Fire safety management is of particular significance to the project. The Bank will also monitor the progress of the works on a regular basis, and look at health and safety performance as part of this.

The promoter has substantial experience in the implementation of thermal building refurbishment. It seems also that the promoter has a high environmental and social management capacity organized within his office.

The promoter has a human resource policy that complies with local regulatory requirements and is applied consistently to all employees and to contractors. As required by law, the policy is ordered to be included in employment contracts and addresses working conditions, terms of employment, and wages and benefits. As is common practice in China, although not explicitly stated, employment relationships recognise the principals of non-discrimination and equal opportunity.

Under PRC law, employees have the right to freedom of association and have the opportunity to collectively represent to the management any issues or grievances that they may have. There are no forced labour practices and the contractors will not hire workers below the age of 18 years.

## **Public Consultation and Stakeholder Engagement**

Consultation of the public and relevant authorities is an integral part of the EIA process. Public consultation has been organized by the Urumqi Environmental Protection Science Research Institute and was conducted in June 2014. The public consultation showed that all involved stakeholders expressed support to the project. No specific negative issues were raised during the consultation.