

Environmental and Social Data Sheet

Overview

Project Name:	BELFIUS SMART CITIES CLIMATE & CIRCULAR ECONOMY
Project Number:	2015-0899
Country:	Belgium
Project Description:	The project comprises an intermediated framework loan to co-finance a multi-scheme operation in Belgium including investments in Urban Development and Renewal, Urban infrastructure, Energy Efficiency, Renewable Energy, Sustainable Transport, Water, Solid Waste and ICT. The operation will support Sustainable Urban Development, Smart City Development, Circular Economy and/or Climate Action over the period 2016-2021.
EIA required:	This is 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.
Project included in Carbon Footprint Exercise ¹ :	No

Environmental and Social Assessment

Environmental Assessment

The operation is structured as a Framework Loan (FL) and will include investments in different sectors: Urban Development and Renewal, Urban infrastructure, Energy Efficiency, Renewable Energy, Sustainable Transport, Water, Solid Waste and ICT. It is envisaged that mainly small and medium size investments (cost below EUR 50m) will be included in this operation. However at appraisal stage, individual schemes were not confirmed. The project schemes will be located in Belgium mostly at municipal level.

An eligible investment should meet minimum requirements set out in the eligibility criteria to be considered “Sustainable”. On the top of these criteria, the investments could contribute to “Smart Cities”, “Circular Economy” or “Climate Action” objectives, the level and nature of which varies from sector to sector and will depend on the compliance with additional criteria set for each of these three dimensions.

The project includes investments targeting sustainable and smart communities and should therefore have an overall positive effect on the environment, contributing also to climate mitigation through eco-quartier development, sustainable building refurbishment, and mobility measures decreasing local traffic-related emissions. The project is also expected to contribute to electricity generation from more sustainable/renewable sources, and energy efficiency improvements in lighting, buildings and urban districts. In addition, some water and urban infrastructure schemes are expected to contribute to climate adaptation.

The waste, water and urban infrastructure sectors are expected to contribute to Circular Economy through investments which are restorative and regenerative by design, and which aim to keep products, components and materials at their highest utility and value at all times.

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.

Luxembourg, 28th October 2016

Belfius is a geographically diversified Belgian Bank with a broad client base. It is experienced in municipal and regional projects and maintains teams with sectorial expertise. Belfius shall carry out environmental and social due diligence as part of its overall due diligence process before EIB funds are allocated to the schemes concerned. The project will be managed by Belfius and individual schemes will be implemented by local, regional or inter-communal public authorities, public service companies/organisations and Energy Service Companies (ESCO).

All procedures concerning EIA and nature protection are established and managed by the competent authorities in Belgium and in line with EU requirements. Belfius shall not commit the Bank's funds to such investments until the relevant environmental consent has been issued by the competent authorities.

Social Assessment

No separate social impact assessment has been carried out for the project. However, in the context of this FL it is expected that the social impacts will be overall positive, supporting the Bank's involvement. The everyday life for the inhabitants and associated social relations and routines will be improved thanks to improved mobility, rehabilitation of social and affordable housing, upgraded municipal infrastructure, schools, cultural centres, and other infrastructure for public services.

According to the information provided by Belfius, schemes to be financed are not likely to imply any new land acquisition requirements. No resettlement is expected under the project and the probability of protests or complaints regarding the investments by citizens or non-governmental institutions is considered limited.

Public Consultation and Stakeholder Engagement

The schemes to be part of this FL should be in line with relevant urban plans and sectoral strategies, which are subject to public consultation. In addition, the project incentivises smart investments, which imply strong involvement and participation of relevant stakeholders and local communities.

Conclusions and Recommendations

Belfius will be tasked with ensuring that the promoters act according to the provisions of the relevant EU Directives, including SEA (2001/42/EC), EIA (2011/92/EU) and subsequent amendments (e.g. 2014/52/EU), Habitats (92/43/EEC) and Birds (2009/147/EC) Directives as transposed into national law. Where applicable, the promoters will be requested to deliver the NTS of EIAs to the Bank before Bank funds are allocated. However, given the relative small size of the individual schemes and the nature of the sectors concerned, most of the schemes are expected not to have significant negative environmental impacts.

Schemes will likely be located outside protected areas including Natura 2000. Nevertheless, the promoters have to provide evidence of the compliance with the Habitats and Birds Directives (if applicable) before the Bank funds are allocated.

For accommodation centres that may be included in this project and made available to asylum seekers, the promoters shall comply with the requirements of Directive 2003/9/EC laying down minimum standards for the reception of asylum seekers as well as Directive 2013/33/EU laying down standards for the reception of applicants for international protection (recast) transposed into Belgian legislation.

Overall, the net environmental impact is expected to be positive, contributing to climate action and circular economy. In addition, the project should bring about social benefits by regenerating urban areas and upgrading public infrastructure, helping to reduce the shortage of social housing and create better living conditions in cities.



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The appraisal confirmed the technical capacity of Belfius to select, appraise and follow up investments to standards acceptable to the Bank and within a robust risk management framework. Therefore, given the nature of the operation and the procedures concerning EIA and nature protection put in place by the competent authorities in Belgium, subject to the conditions mentioned above, the FL is acceptable in environmental and social terms.

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