Luxembourg, 10th of March 2016

Environmental and Social Data Sheet

Overview

Project Name:	ROVANIEMI URBAN INFRASTRUCTURE
Project Number:	20150407
Country:	Finland
Project Description:	The project concerns the financing of schemes forming part of the City of Rovaniemi's six-year investment programme from 2015 to 2020 under a municipal Framework Loan. The project is expected to comprise a number of small to medium sized schemes in the fields of urban infrastructure, education, childcare, water, waste, energy distribution and other municipal infrastructure.
EIA required:	This is multi-scheme Framework Loan operation. Some of the schemes may fall under Annex I or Annex II of the EIA Directive and have to be screened by the Competent Authority.

Project included in Carbon Footprint Exercise[1]: No

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

Environmental and Social Assessment

Environmental Assessment

Rovaniemi is a city, situated on the Arctic Circle at the confluence of rivers Kemi and Ounas. The City has a population of 61 861 (October 2015) and this makes it the 16th largest in Finland. It is the largest Arctic City in the EU, and the fifth largest Arctic City in the world. The project concerns the financing of schemes forming part of the City of Rovaniemi's six-year investment programme from 2015 to 2020. The project is expected to comprise a number of small to medium sized schemes (cost below EUR 50m) in the fields of education, childcare, water, waste, energy distribution and other municipal infrastructure.

Given the scope of this operation and sectors included, it is likely that some infrastructure schemes will fall under the EIA Directive 2011/92/EU, amended by Directive 2014/52/EU, either under Annex I or Annex II. Should any scheme under this operation 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. However, 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 environmental impacts.

Investments in construction, reconstruction and/or renovation of public buildings have a number of positive effects expected, including energy savings in publicly owned buildings as a result of insulation of walls and roofs, changing of windows and other energy efficiency measures.

The construction/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.

Biodiversity Issues

There are some 15 Natura 2000 sites in the territory of Rovaniemi City. As virtually all schemes will be located in the urban territory of Rovaniemi, it is expected that no protected sites, including Natura 2000 will be affected by any of the schemes as all Natura 2000 sites are located in the rural part of Rovaniemi. However, should any scheme have any significant impact on a protected site, the Competent Authority has to provide evidence of the compliance with the Habitats (92/43/EEC) and Birds (2009/147/EC) Directives (Form A/B or equivalent) before the Bank funds are allocated.

Social Assessment

No separate social impact assessment study has been carried out. The biggest social impact will arise from the education and childcare schemes. The loan will support the construction of basic municipal infrastructure. Following the recent influx of asylum seekers and refugees to Rovaniemi, in particular in 2015, there is a growing shortage of schools and kindergartens. New or reconstructed schools and pre-schools will serve to alleviate the current situation. It is expected that the social impacts of the project will be overall positive. The quality of residents' everyday life, social relations and routines will increase thanks to improved municipal infrastructure and services.

Climate Change

The project is expected to contribute to climate change mitigation (e.g. energy efficiency in buildings) as well as climate change adaption (e.g. urban infrastructure and public buildings). Finland has in 2015 adopted National Climate Change Adaptation Plan 2022, through a Government Resolution. According to forecasts, in 2050 the temperatures in Finnish Lapland will have risen by up to 3.8C, average rainfall will increase, there will be earlier spring floods and a shorter period when there is snow. As result the risk of a 'black' Christmas (totally snow-free) increases as the start of the permanent snow cover can be delayed. As the most important tourist attraction in Rovaniemi is the Santa Village, 'black' Christmases may potentially have a huge negative impact on the tourism industry.

Public Consultation and Stakeholder Engagement

The proposed schemes included in the framework loan are in line with the long term strategy for Rovaniemi 2030. The strategy has undergone a regular public consultation process prior to its adoption in 2015 and all concerned inhabitants of the City have been given the possibility to provide their comments to the draft proposal before it was approved by the City Council in 2015. The strategy shall be monitored and reported on an annual basis. The strategy shall also be reconfirmed at least once per mandate period by the City Council.

Conclusions and Recommendations

The institutional capacity of the promoter to manage the environmental and social issues is deemed good. Given the nature of the operation and the procedures concerning EIA and nature protection put in place by the competent authorities in Rovaniemi and the capacity of the Promoter, subject to the conditions mentioned above, the Framework Loan is acceptable in environmental and social terms.