

Environmental and Social Data Sheet

Overview

Project Name:	LEG Energy Efficient Buildings
Project Number:	2016-0038
Country:	Germany
Project Description:	The proposed loan will co-finance general modernisation investments in the federal state of North Rhine Westphalia in Germany, with a substantial share dedicated to the energy rehabilitation of existing private residential buildings, and may also include the construction of new residential buildings with an energy efficiency performance compatible with the near zero energy buildings (NZEB) level objectives.
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	no (below the thresholds)

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

The project will support the thermal refurbishment of residential buildings (estimated 13,000 apartment units) and the use of renewable energies directly related to these buildings in Germany. The works mainly consist of improving the insulation of the building envelope as well as renovation of the heat generation and distribution system in the buildings, including ventilation systems. The use of renewable energies (e.g. PV or solar hot water) may also be included in the works. The works are expected to lead to a decrease in energy consumption of a building of up to 50% of the original consumption, depending on the initial energy performance of the buildings and the promoter's investment optimisation strategy. The project will include to a minor extent the construction of new residential buildings (around 180 apartment units) compatible with the near zero energy buildings level objectives.

Given the relative scale, location and nature of the individual schemes in built-up urban areas, all of the schemes are deemed not to have any significant negative environmental impact. Exceptionally, a scheme may fall under Annex II of the EIA Directive 2011/92/EU. In these cases the Bank will require the promoter to act according to the provisions of the aforementioned Directive as transposed into the national law. Should the relevant competent authority screen in a scheme, the promoter shall deliver to the Bank the Non-Technical Summary (NTS) of the EIAs before the Bank funds are allocated.

The overall environmental and social impact of the project is expected to be positive. The project will improve the living quality of rented housing in urban areas. The energy efficiency measures will contribute to the reduction of energy consumption and CO₂ emissions and subsequently operational costs for the tenants. Therefore, the socio-economic benefits in

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.

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terms of urban development, energy efficiency and climate change mitigation are expected to be positive.

The promoter is considered as capable to select schemes complying with the Bank's specific procedures and eligibility criteria in particular regarding the social impacts and the environmental protection aspects. With the proposed conditions and eligibility criteria in place, this project is considered to be acceptable for Bank financing from an environmental perspective.

Environmental and Social Assessment

Environmental Assessment

Germany, as an EU Member State, has harmonised its environmental legislation in line with the relevant EU Directives: EIA Directive 2011/92/EU, SEA Directive 2001/42/EC and Habitats Directive 92/43/EEC, Birds Directive 2009/147/EC and Energy Performance of Buildings Directive 2010/31/EU.

The project is located in urban developed areas. The project will have an impact on the environment during construction and project operation.

At construction stage, the project will increase noise and vibration levels, and will impact air quality. Adequate mitigation measures will be considered together with the enforcement of good construction practices. The project's impact at the construction stage will be short-lived and reversible, at a level which is deemed acceptable.

At operation stage, the project will have a positive impact on the environment, reducing the energy consumption and therefore contributing to mitigate climate change. Energy efficiency measures will be the main focus of the modernisation measures planned. In addition, Germany has transposed the Energy Performance of Buildings Directive (EPBD, 2010/31/EU), which will be applied by the promoter, guaranteeing energy savings during operation.

Social Assessment, where applicable

The project is expected to improve the living conditions for the tenants in the modernised buildings through better indoor air quality and renewal of the facades. The attractiveness of these buildings will increase.

The modernisation will also lead to an increase in rent limited by legal regulations and by the competitive rental market environment. The rent increase will probably be partially offset through the reductions in heating cost which are borne by the tenants.

The promoter is aware of its social responsibility as a private housing provider. The promoter has a code of conduct which requires transparency and responsible behaviour of its employees and management in their relations with business partners and tenants. The function of an ombudsman has been created, to which persons can complain if deemed unfairly treated.